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APPENDIX

Supreme Court, U. S.
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Supreme Court of the United States

OCTOBER TERM, 1973

No. 72-1598

NATIONAL LABOR RELATIONS BOARD,
Petitioner,

—v.—

BELL AEROSPACE COMPANY, DIVISION OF TEXTRON, INC.,
Respondent.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

PETITION FOR CERTIORARI FILED MAY 29, 1973
CERTIORARI GRANTED OCTOBER 9, 1973

Supreme Court of the United States

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CHRONOLOGICAL LIST OF REVELANT DOCKET ENTRIES

In the Matter
of
BELL AEROSPACE CO. DIV. OF TEXTRON, INC.

Case Nos.: 3-RC-4987 and 3-CA-4695

3-RC-4987

7.30.70	Petition filed.
7.18.70	Acting Regional Director issued Notice of Representation Hearing.
8.28.70	Hearing opened.
9. 3.70	Hearing closed.
10.23.70	Regional Director's Order Transferring Representation Case to the Board, dated.
5.20.71	Decision and Direction of Election issued by the National Labor Relations Board.
6.16.71	Notice of Election to be held.
6.16.71	Tally of Ballots issued.
6.16.71	Certification on Conduct of Election, dated.
6.17.71	Employer's Objections to the Election, dated.
6.28.71	Regional Director's Report on Objections, dated.
7. 8.71	Employer's Exceptions to the Regional Director's Report on Objections, received.
8.12.71	Supplemental Decision and Certification of Representative issued by the Board.

8.17.71 Employer's Request for Reconsideration, dated.

5. 1.72 Board's Order Denying Motion, dated.

3-CA-4695

12. 2.71 Charge filed.

12.21.71 Complaint and Notice of Hearing, dated.

1. 3.72 Employer's Answer, received.

1.28.72 General Counsel's Motion for Summary Judgment and Issuance of Board's Decision and Order, dated.

2. 2.72 Regional Director's Order Postponing Hearing Indefinitely, dated.

2. 9.72 Board's Order Transferring Proceeding to the Board and Notice to Show Cause, dated.

3. 6.72 Employer's Brief in Opposition to Motion for Summary Judgment and In Support of Petition for Reconsideration of the Board's Previous Order, received.

5.30.72 Decision and Order issued by the National Labor Relations Board, granting *inter alia* the General Counsel's Motion for Summary Judgment.

10. 9.73 Order of Supreme Court granting certiorari.

BEFORE THE
NATIONAL LABOR RELATIONS BOARD

Case No. 3-RC-4987

BELL AEROSPACE CO., DIVISION OF TEXTRON, INC.
Employer

and

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA, AMALGAMATED LOCAL 1286

Petitioner

NLRB Hearing Room,
120 Delaware Avenue,
Buffalo, New York,
Friday, August 28th, 1970.

The above-entitled matter came on for hearing at 10:00 o'clock, a.m., pursuant to notice.

BEFORE:

JAMES PALERMO, Hearing Officer.

APPEARANCES:

HORACE C. WINCH, Esq., Ohlin, Damon, Morey, Sawyer & Moot,
&
JAMES N. SCHMIT, Esq., 1800 Liberty Bank Building, Buffalo, New York, appearing on behalf of the Employer.

RAY LARACY, Staff Representative, 16 Commerce Drive, Cranford, New Jersey 07062, appearing on behalf of the Petitioner.

[3]

PROCEEDINGS

HEARING OFFICER PALERMO: On the record. This is a formal hearing in the matter of Bell Aero-

space Co., Division of Textron, Inc., Case No. 3-RC-4987, before the National Labor Relations Board.

The Hearing Officer appearing for the National Labor Relations Board is James J. Palermo.

All parties have been informed of procedure at formal hearings before the Board by service of a statement of standard procedure with the Notice of Hearing.

I have additional copies of this statement for distribution if any of the parties wishes more.

Will Counsel please state their appearances for the record? For Petitioner?

MR. LARACY: Ray Laracy, L-a-r-a-c-y, International Representative for the UAW.

HEARING OFFICER: For the Employer?

MR. WINCH: Ohlin, Damon, Morey, Sawyer & Moot, Horace C. Winch and James C. Schmit, S-c-h-m-i-t, of counsel, and Peter J. Wacks, Vice-President of the Company.

HEARING OFFICER: Are there any other appearances?

(No response)

HEARING OFFICER: Are there any other persons, parties or labor organizations in the hearing room at this time who claim an interest in the proceedings?

[4] (No response)

HEARING OFFICER: I now propose to receive into evidence the formal papers. These have been marked for identification as Board's Exhibit 1(a) through 1(d) inclusive, Exhibit 1(d) being an index and description of the entire exhibit.

(The document above-referred to was marked Board's Exhibit 1(a) through 1(d) for identification)

HEARING OFFICER: The exhibit has been shown to the parties. Are there any objections?

MR. WINCH: None for the Company.

MR. LARACY: No objection.

HEARING OFFICER: There being no objection, Board's Exhibit 1(a) through 1(d) is received into the record.

(The document above-referred to, heretofore marked Board's Exhibit 1(a) through 1(d), was received into evidence)

HEARING OFFICER: Are there any motions to intervene in these proceedings to be submitted to the Hearing Officer at this time?

(No response)

HEARING OFFICER: Mr. Laracy, is the correct name of the Petitioner that which appears on the petition in this case, being the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, [5] Amalgamated Local 1286?

MR. LARACY: Yes, that is right.

HEARING OFFICER: Is it possible to stipulate that International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, Amalgamated Local 1286, is a labor organization within the meaning of the National Labor Relations Board Act as amended?

Do you stipulate, Mr. Winch, on behalf of the Company?

MR. WINCH: Yes.

HEARING OFFICER: Mr. Laracy?

MR. LARACY: Yes.

HEARING OFFICER: The stipulation is received.

Will the Company please state its full and correct name for the record?

MR. WINCH: Bell Aerospace Company, C-o-m-p-a-n-y, Division of Textron, T-e-x-t-r-o-n, Inc.

There is no comma after Textron.

HEARING OFFICER: Fine. Mr. Winch, I believe you also indicated you wanted to explain briefly the name change of the company?

MR. WINCH: Yes.

Some of the exhibits which will be offered into evidence are headed by the name of Bell Aerosystems. Bell Aerosystems Company was a division of Bell Aerospace Corporation prior to January 1st, 1970. Bell Aerospace [6] Corporation was a subsidiary of Textron Inc. As of January 1st, 1970 Bell Aerospace Corporation ceased

to exist and Bell Aerosystems Company became Bell Aerospace Company Division of Textron Inc., the Employer in this proceeding.

HEARING OFFICER: Are there any objections to having the petition and other formal papers amended so that the name of the Employer will correctly appear in the caption thereon as Bell Aerospace Company Division of Textron Inc.?

MR. LARACY: No objection from the Petitioner.

HEARING OFFICER: And I assume there's none from the Company?

MR. WINCH: No, of course not.

HEARING OFFICER: Fine.

Mr. Winch, approximately how many employees are located at the plant here involved?

MR. WINCH: 4637.

HEARING OFFICER: Approximately how many employees are in the department that is concerned in this petition?

MR. WINCH: 25.

HEARING OFFICER: Is it possible to stipulate that Bell Aerospace Company Division of Textron Inc. is a Delaware Corporation having its main place of business in the Town of Wheatfield, New York?

MR. WINCH: No. Bell Aerospace Company Division of Textron Inc. is not a corporation. It is a Division of [7] Textron Inc.

HEARING OFFICER: Okay. Off the record.

(Discussion off the record)

HEARING OFFICER: On the record.

Having been corrected by Mr. Winch, now would it be possible to stipulate Bell Aerospace Company Division of Textron Inc. is a Division of Textron Inc.—

MR. WINCH: Wait.

HEARING OFFICER: Off the record.

(Discussion off the record)

HEARING OFFICER: On the record.

Is it possible to stipulate that Bell Aerospace Com-

pany Division of Textron Inc. is a Division of Textron Inc., which is a Delaware Corporation—

MR. WACKS: Textron being a Delaware Corporation.

MR. WINCH: That's right.

HEARING OFFICER: Bell Aerospace Company Division of Textron Inc. is engaged in the manufacture of rocket engines and electronic equipment with gross revenues annually well in excess of $50,000. During the past twelve months the company received goods valued in excess of $50,000 from companies outside the State of New York. The company is engaged in commerce within the meaning of the National Labor Relations Board Act as amended.

MR. WINCH: Correct.

[8] HEARING OFFICER: Do you so stipulate, Mr. Winch, on behalf of the company?

MR. WINCH: Yes.

HEARING OFFICER: Mr. Laracy?

MR. LARACY: Yes.

HEARING OFFICER: The stipulation is received.

Does the Company decline at this time to recognize the Petitioner as exclusive bargaining agent for the employees in the unit petitioned for until such time as it is certified by the Board?

MR. WINCH: Yes.

HEARING OFFICER: Do any of the parties contend there's a contract bar to an election in this case?

MR. WINCH: No.

MR. LARACY: No.

HEARING OFFICER: Off the record.

(Discussion off the record)

HEARING OFFICER: On the record.

Mr. Laracy, I am now going to read the unit claimed by the petitioner and ask whether you wish to amend the unit at this time. The unit description reads: "Included All buyers in purchasing and procurement, department 121; excluded All production and maintenance employees, all office clerical employees, professional employees, guards and supervisors as defined in the Act."

[9] Mr. Laracy, do you wish to amend the petition?

MR. LARACY: Yes. I would like to add something to the inclusions. After "Department 121" put in parenthesis "Buyer, Class 2" and "Buyer, Senior." They are the two occupations that we are petitioning for.

HEARING OFFICER: Mr. Winch, does the Company have any objection to the petition being amended?

MR. WINCH: No objection.

HEARING OFFICER: Hearing no objection then the amendment to the petition is allowed.

Mr. Winch, briefly what is the position of the Company as to the appropriateness of this unit?

MR. WINCH: The Company's position is that this is not an appropriate unit for purposes of collective bargaining.

HEARING OFFICER: On what basis, sir?

MR. WINCH: That the employees within the named unit are managerial employees and, secondarily, that they have no community of interest with the other members of that Amalgamated Union.

HEARING OFFICER: Mr. Laracy, what is the Union's position?

MR. LARACY: The Union's position is that the buyers we are petitioning for are employees as defined by the Act and that they form an appropriate unit.

HEARING OFFICER: Okay. Let's begin with our testimony.

[10] Mr. Winch, would you like to proceed?

MR. WINCH: The Hearing Officer has requested us to show the organization within which the unit is situated as I understand.

HEARING OFFICER: Yes.

MR. WINCH: For that purpose I will swear Mr. Wacks.

Whereupon,

PETER J. WACKS

was called as a witness by and on behalf of the Employer and, having first been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

Q. (By Mr. Winch) Would you state your full name for the record, please?

A. Peter J. Wacks.

Q. Mr. Wacks, you are an employee of the Company?

A. I am.

Q. In what capacity?

A. Vice-President, Industrial Relations Department.

Q. How long have you held that position?

A. About fourteen years.

MR. WINCH: Would you please mark this paper for identification?

(The document above-referred to was marked Employer's Exhibit No. 1 for identification)

[11] HEARING OFFICER: For purposes of identification, Employer's Exhibit No. 1 is an organizational chart for the structure of the Bell Aerospace Company Division of Textron Inc. This chart is dated April 20th, 1970.

MR. WINCH: Mr. Wacks, would you refer to—

HEARING OFFICER: One other thing might be added about the chart. It is only for the manufacturing department.

Q. (By Mr. Winch) Mr. Wacks, this exhibit shows at the top Mr. Nochisaki as Vice-President of Manufactuirng. To whom does he report?

A. Mr. Nochisaki, who is a Vice-President, reports to the Executive Vice-President, Mr. Richard Hurst. Mr. Hurst being an Executive Vice-President reports to the Secretary of the Company, Mr. William Gisel.

Q. Does Exhibit 1 show the place in the organization of the procurement department and the Director of procurement?

A. Yes, it does. On the right-hand side of the chart you will notice a block designated Procurement Section. Mr. F. M. Seitz is the Director of that particular department. That department is several departments of the overall manufacturing department of the Company.

Q. Does Exhibit 1 also show the location of the various units of the Amalgamated Union 1286?

A. Yes. We have an Amalgamated Union known as 1286 constituted in four different units. One is the estimating [12] unit, one is the so-called production engineering technical association, and one is production control, and one is the mold loft unit.

On this exhibit there is reflected in figures, the number of employees in each of these four units and the department wherein these employees are assigned. For instance, under the manufacturing industrial engineering and estimating group, headed by Mr. Lotz, there are 20 estimators in that particular department. That is the estimating unit. Then in the manufacturing engineering department, under Mr. Hussa, there are 46 PETA employees assigned to that department and two members of the loft unit.

HEARING OFFICER: Excuse me. What is "PETA"?

THE WITNESS: Production Engineering Technical Association.

HEARING OFFICER: And Loft?

THE WITNESS: Just that, an employee of the Loft unit of the Amalgamated 1286. That is the Loft unit. There are Loft men involved.

HEARING OFFICER: Explain what a Loft man is?

THE WITNESS: I don't exactly know what they do.

Then in the plant engineering section there are three members of the production engineering technical association unit assigned to that particular department. Then under the manufacturing control department under Mr. Kelly there [13] are forty-one production control employees assigned to that department. That constitutes one of the four units of the Amalgamated 1286.

HEARING OFFICER: May I ask some questions about this organization chart, Mr. Winch?

MR. WINCH: Will you let me finish questioning this witness? I have one more exhibit I would like to get into evidence before you question him.

Please mark this proposed exhibit for identification.

(The document above-referred to was marked Employer's Exhibit No. 2 for identification)

MR. WINCH: First let me offer into evidence, Exhibit No. 1.

MR. LARACY: No objection.

HEARING OFFICER: It is admitted into evidence.

(The document above-referred to heretofore marked Employer's Exhibit No. 1, was received into evidence)

Q. (By Mr. Winch) Now, I will have to look at the map the witness has, I guess because I haven't another copy for myself.

HEARING OFFICER: Excuse me. Employer's Exhibit No. 2, if I understand it correctly is a floor plan of your—

THE WITNESS: A floor plan of the Wheatfield Plant. I want to point out, so that it will not be confusing, the right-hand side of this plan is the mezzanine floor [14] which is over and above the first floor to the left.

HEARING OFFICER: I see. And, Mr. Winch, so that we keep everything clear, I assume you are entering this to show that the people in Department 121 work away from other employees; is that correct?

MR. WINCH: Yes, to show the location of the people in Department 121 procurement and to show the location of the various units of the petitioning union.

HEARING OFFICER: Okay.

Q. (By Mr. Winch) Now, referring to Exhibit 2 for identification, Mr. Wacks, there is an area marked "Procurement." How do you describe that particular building?

A. Well, that building is part of the administration building, what we refer to as the "Engineering Building", administration building. That area marked "Procurement" is the office space, the office area where the buyers are located and where they do their work.

HEARING OFFICER: Is this a separate building in which they work?

THE WITNESS: No, it's pretty much—

HEARING OFFICER: It's an office?

THE WITNESS: It's an office but there is a lane between this building where procurement is and the

main plant. If you want to call that a separate building I guess you can.

[15] HEARING OFFICER: Are they connected?

THE WITNESS: They are connected by appropriate bridges on the second floor, but there is a roadway or areaway between that building and the main plant.

Q. (By Mr. Winch) Now, when you refer to the main plant, is that the building directly above the one where procurement is situated, directly to the north as shown by the directional in the upper-left corner of the plant?

A. That's the so-called main plant or manufacturing area or shop area as we know it.

Q. That's where the production work is done?

A. That's where the production work is done; that's correct.

Q. Now, there is a—

A. I might point out to the left of this area where it's marked "Procurement" all the administrative offices, the President's office and some of the Vice-President's offices are located to the left. And then in the area where it is marked "Procurement" it's primarily all office area.

Q. Now, there is an area colored blue which says, "1286 Mold Loft." Is that in the factory building?

A. That is the factory building on the first floor. It is the area where the mold loft personnel—and there's only two in that particular bargaining unit at the present time—are assigned.

Q. You have already testified to the fact that the area [16] shown on the right-lower portion of the map where there are areas colored in green, red and yellow are on the mezzanine in the factory building?

A. I pointed it out to the Hearing Officer. I don't know if it's in evidence. The right-hand side of this floor map reflects the so-called mezzanine floor in the factory area as distinguished from the office administrative building.

Q. Now, above that particular area on the right-hand part of the map appear the words "This Area Begins Over First Aid". Can you locate that area in the factory

building by reference to the left-hand side of the map where the first aid area is shown?

A. Yes. If you just transpose this right-hand portion of the map and superimpose it over the first aid as marked on the map, all that area on the right-hand side is on the mezzanine end in this particular area shown by the cross or the first aid area.

Q. Now, perhaps I am asking you to explain something self-explanatory, but I would like to have you state for the record what these colored areas on the mezzanine shown in the right-hand portion of the map show as regards the location of the units of the petitioning union?

A. Well, we thought it might be helpful to the Hearing Officer at least to reflect on this map the location of where the people in the Amalgamated Unit of 1286 were located. [17] You will see marked there the estimator unit. You will see also the production control unit where those people are located, and you will see two or three areas there reflecting the location of the production engineering technical association employees.

HEARING OFFICER: Are those other units clerical units?

THE WITNESS: No, they are salaried. They are non-exempt units as far as we are concerned.

HEARING OFFICER: But are they professional or technical?

THE WITNESS: No, they are all non-exempt employees.

Q. (By Mr. Winch) What do you mean?

A. Non-exempt under the definition of the Wage and Hour Act. If they work overtime, over eight hours a day or forty hours a week, they have to be paid overtime.

HEARING OFFICER: Would these be considered production and maintenance units or office people that work in offices?

THE WITNESS: Some do, yes.

HEARING OFFICER: Who wouldn't?

THE WITNESS: Well, I think most of them would be considered office types if we are talking about general

office work. Possibly with the exception of the mold loft people.

Q. (By Mr. Winch) Mr. Wacks, when you speak of these people being non-exempt, the people of 1286, contrast them with the buyers in the unit for which the union is now [18] petitioning.

A. Well, the buyers that we have at Bell Aerospace Company are considered professional pepole. They are considered exempt people under the Wage and Hour Act. We treat them as professionals because we give them certain managerial prerogatives which they exercise, unlike the non-exempt employees. They don't.

This means the buyers do not receive time and a half as such after eight hours work or after forty hours a week. They are treated like any other professional employees or like any other officer in the Company for that matter. They do not receive overtime as such after eight hours a day or forty hours a week.

Q. Are there times when they do work more than eight hours a day or forty hours a week?

A. As far as I know there are. As far as I know, anytime they work overtime if it's casual overtime they do not get paid for that on an overtime basis. If it's a scheduled overtime situation—by "scheduled" I mean for long periods of time. Maybe they anticipate this overtime will last a month or six weeks or two months. Then we call it scheduled overtime. Then these buyers like any other professional employees in the plant, like an engineer or supervisor or anybody like that, they are put on a scheduled overtime basis and at which time they do receive a certain amount of [19] overtime pay. But in certain cases it does not equal time and a half, just sometimes straight time pay.

HEARING OFFICER: Is it possibly time and a half?

THE WITNESS: It all depends on the salary bracket they are in. If they are in a lower salary bracket, within certain limits, sometimes time and a half. But if it's over that, it's straight time.

Q. (By Mr. Winch) That is not a statutory matter?

A. No, that is purely a company policy, company program.

MR. WINCH: Right. That's all the questions I have.
HEARING OFFICER: I have a couple of questions here.

CROSS-EXAMINATION

Q. (By Hearing Officer Palermo) The Department 121 is located in the building that is separated from the main plant area. I notice by looking at the blueprint here that there is in the same building as Department 121 a cafeteria. Who uses this cafeteria?

A. Well, normally it is opened to everybody, but we have two cafeterias. One is in the tunnel or basement of the building.

Q. Of this same building?

A. No, over in manufacturing. It would be under first aid. That cafeteria is normally used by the manufacturing people, the hourly rated people, whereas we try to encourage them to use that tunnel cafeteria so that we can reserve the [20] cafeteria reflected here for our salaried employees.

Now, it doesn't work out that way. There is an intermingling of both hourly and salaried, but generally that's it.

Q. In the same building where 121 is located are the Executive offices?

A. That's right. If you go to the left you will see it's marked "Executive Offices". Just below that you will see the President's offices. His offices are located there. Some of the Vice-President's offices are located there. The Finance Department is located in that area. You will see that indicated there, "Finance". Then you come down to the cafeteria, and then just beyond the cafeteria you will see the Procurement office. It's all office space.

Q. Is there any production, actual production work that takes place in this building?

A. No.

HEARING OFFICER: Do you have any questions, Mr. Laracy?

MR. LARACY: Yes.

CROSS-EXAMINATION

Q. (By Mr. Laracy) Referring to E 1 under "Manufacturing Director, are the employees under the manufacturing director organized into any collective bargaining unit or any local union?

[21] A. You are looking at E 1?

Q. Yes, your organizational chart.

A. I'm sorry. I didn't get the gist of your question.

Q. Under "Manufacturing Director"—was it Mr. Gaspar—are the employees under his direction, are they organized into any collective bargaining agreement?

A. Yes, they are.

Q. Would you tell us what breakdown, what local and so forth?

A. Primarily under his supervision there the production and maintenance pepole are in what is known as Local 501 UAW. That constitutes generally the manufacturing people, and I guess that covers all that he supervises, 501 people.

Q. That's a UAW local?

A. Yes.

Q. Under "Manufacturing Program Management Director", are the employees under his jurisdiction, are they organized into any collective bargaining agreement?

A. I am not certain. I don't believe so. I don't think there are any in there. That's more or less of a staff-type of unit. They are not in the production end of the business they are just staff. Most of your 501 are under Mr. Gaspar.

Q. Under Mr. Lotz, 20 estimators, would you classify them as technical or clerical employees? As you know, the Board classifies salaried employees as either clerical, technical, [22] professional or plant clerical. What do you classify these estimators as?

A. I would probably call them technical.

Q. How about the forty-six and three PETA employees?

A. They are probably technical. They are not professional in our opinion.

Q. How about the two loft employees?

A. I would classify them as manufacturing types. I think frankly they are ought to be over in the production and maintenance. They are not.

Q. Would you possibly call them skilled?

A. Yes, I think they are skilled.

Q. How about the forty-one production control employees?

A. I would call them perhaps clerical.

MR. LARACY: Off the record?

HEARING OFFICER: Yes, off the record.

(Discussion off the record)

HEARING OFFICER: Back on the record.

MR. LARACY: That's all for now.

HEARING OFFICER: I have some questions.

RECROSS-EXAMINATION

Q. (By Hearing Officer Palermo) Referring to Employer's Exhibit No. 1, the Procurement Director, Mr. Seitz, if I understand this correctly, reports to whom?

A. He reports to the Vice-President of the manufacturing [23] departments, Mr. Nochisaki, through the Executive Director, Mr. Kastelowitz.

Q. Under the Procurement Director we have Procurement Assistant Director, Sub Contract Purchasing Agent, General Purchasing Agent and Administrative Manager. Where in this configuration would Department 121 fit?

A. Well, these are the supervisors, as you understand, that carry out the functions of this particular department. Now, I am not quite certain. This probably can be clarified later. These buyers are pretty well scattered among these different supervisors as reflected.

Q. In other words, Mr. Cleveland, Mr. Rae, Mr. Muni and Mr. Folker?

A. I don't think Mr. Folker has any buyers, but I think the other three do.

Q. Do all these buyers work in one office or one general office area?

A. Yes, as I understand they do.

Q. Do they have separate offices?

A. That I don't know. I am not familiar with it.

Q. All right. Mr. Wacks, you indicated that in your belief the buyers in question were professional employees. Is a college degree a pre-requisite for being a buyer?

A. No, I don't believe it is.

Q. What kind of special training do they have?

[24] A. Well, some have degrees, some don't. Whether they have a degree or not, they come in and they are assigned to different functions, and through a development program that we have, their training program that we have, they develop and are exposed to the functions of the department.

Q. Would you hire a man with no prior experience as a buyer?

A. I don't know. I don't run that department. I don't know what Mr. Seitz would do.

HEARING OFFICER: Off the record.

(Discussion off the record)

HEARING OFFICER: On the record.

Q. (By Hearing Officer Palermo) Mr. Wacks, am I correct in assuming Mr. Seitz could better answer these questions?

A. I think so.

Q. And he is here?

A. If they pertain to administrative, that's his department.

Q. Who would be best able to answer, Mr. Seitz or you, concerning benefits and so forth received by these people?

A. I think so.

Q. Mr. Seitz?

A. Yes.

HEARING OFFICER: Nothing further.

RECROSS-EXAMINATION

[25] Q. (By Mr. Laracy) In your testimony you made the statement buyers in your opinion are professional. Are you claiming they are professional in this hearing?

Are you taking the position they are managerial or are you taking the position they are professional employees?

A. I said they are considered like professional employees in the company.

Q. You are not taking the position these buyers are professional?

A. I am not taking any position. I am saying they are managerial as far as what they do. The type of work they perform is managerial in nature.

Q. You say these buyers were excluded, they are exempt under the Wage and Hour Law. This actually was the Company's determination, right, that these people were exempt under the Wage and Hour Law?

A. That's right.

Q. You are aware this does not exclude them from representation under the National Labor Relations Board?

MR. WINCH: That is a question of law and I am not sure what the answer is.

HEARING OFFICER: Are you objecting?

MR. WINCH: Yes, I object.

HEARING OFFICER: Okay. Sustained.

Q. (By Mr. Laracy) Is it your opinion because they are [26] exempt under the Wage and Hour Law they are exempt under the National Labor Relations Board Act?

A. I think this is a matter of law. I don't have to testify to that.

MR. WINCH: Again I object to the question.

HEARING OFFICER: I think it is clear from the testimony that obviously the Employer feels that these people are excluded from the Act, not covered by the Act. I trust that as the testimony develops that position will either be supported or refuted. So, on that basis I will sustain that objection also.

MR. LARACY: That's all I have.

MR. WINCH: No further questions.

HEARING OFFICER: You may step down.

(Witness excused)

MR. WINCH: I offer No. 2, Employer's Exhibit No. 2 in evidence.

HEARING OFFICER: Mr. Laracy, do you have any objection?

MR. LARACY: No objection.

HEARING OFFICER: It will be so received.

(The document above-referred to, heretofore marked Employer's Exhibit No. 2, was received into evidence)

MR. LARACY: Off the record?

[27] HEARING OFFICER: Off the record.

(Discussion off the record)

HEARING OFFICER: All right, back on the record.

MR. WINCH: Would you mark this in evidence?

(The document above-referred to, was marked Employer's Exhibit 3 for identification)

MR. WINCH: I offer in evidence the document entitled "Alphabetical Listing of Buyer Personnel in the Procurement Department of Bell Aerospace Company as of July 20th, 1970." You will notice there is one name stricken from the list, Dimiceli. He is no longer a buyer.

HEARING OFFICER: Mr. Laracy?

MR. LARACY: No objection.

HEARING OFFICER: The exhibit is received.

(The document above-referred to, heretofore marked Employer's Exhibit 3, was received in evidence)

HEARING OFFICER: Do you have any further witnesses at this point?

MR. WINCH: Does the union have witnesses they wish to put on at this time?

HEARING OFFICER: Off the record.

(Discussion off the record)

HEARING OFFICER: On the record.

MR. WINCH: Mr. Seitz, will you take the stand, please?

[28] Whereupon,

FREDERICK M. SEITZ

was called as a witness by and on behalf of the Employer and, having first been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

Q. (By Mr. Winch) Would you state your name for the record?

A. Frederick M. Seitz.

Q. I am showing you Employer's Exhibit No. 1 or a copy of same. You are the gentlemen who is shown in the far right-hand column as being the Procurement Director?

A. That's right.

Q. And that is your title?

A. Yes.

Q. How long have you been Procurement Director?

A. My title has changed a couple of times. I have been Procurement Director for eight years during several of these years I was Director of Material, which also encompassed procurement.

Q. Let's go back and let you describe your experiences in Procurement, not only at Bell but elsewhere. When and where did you get your start in Procurement?

A. Okay. I started in 1939 as a buyer in a machine shop in Philadelphia. I made numerous changes after that, [29] all in the DOP, Defense Orientated Procurement field, primarily aircraft, electronics, aviation and missiles.

From a buyer I went up progressively through the strata of management until I ran the show at three different major defense plants.

Q. What plants?

A. Kaiser Aircraft was the first one. Then I became Material Manager Director of Procurement at Dastrom Incorporated. Then I came to Bell to be Director of Procurement.

Q. What year?

A. 1962.

Q. 1962 you came to Bell?

A. Yes.

Q. You have some sort of a certification or title that you hold?

A. Yes. I am a certified professional purchasing manager. This is a certification that is awarded by the

National Association of Purchasing Management. It can be related to a CPA in the accounting field.

MR. WINCH: Now, would you mark this, Mr. Reporter?

(The document above-referred to, was marked Employer's Exhibit 4 for identification)

Q. (By Mr. Winch) I will give you one and ask you to state for the record what this shows?

[30] A. This is an organization chart of Department 121, Procurement Department. It's almost current. There have been one or two changes. One of the buyers in the extreme left-hand column, Lienert, is no longer with us. Another buyer, Dimiceli, in the fourth column out of the box has been changed to another job. He is no longer a buyer.

HEARING OFFICER: Another job within Department 121?

THE WITNESS: Yes.

HEARING OFFICER: What is his current job?

THE WITNESS: His current job is an expediter. Otherwise this represents the department as it operates today.

Q. (By Mr. Winch) Now, I see a dotted line running down from the line at the top middle part of the page running to a box PBPS WRO, Manager J.P. Kamp. Are those men expediters?

A. Yes, that is their function. WRO stands for Western Regional Office. They are off site. PBPS, for the benefit of Mr. Palermo, stands for Post Boost Propeltion System, which is the biggest job we have. These people were sent from the West Coast to expedite and handle any problems with out West Coast suppliers, which there are twelve or so.

Q. Then continuing to the right-hand side of this exhibit, Exhibit 4 for identification, there is a group of [31] eight people under expeding supervisor R. W. Chase. Are they also expeditors?

A. Yes, they are. And I notice another change which I missed. Mr. Smith and R. Potter are no longer with us. They have left the company.

Q. And then down at the bottom under Cost and Price Analysis Statistics there are A. Starke and R. Victor. They are no longer buyers are they?

A. No, they are Cost and Price Analysts.

Q. Right.

HEARING OFFICER: The Cost and Price Analysts work in the Department 121?

THE WITNESS: Yes.

HEARING OFFICER: But they are under—

THE WITNESS: Mr. Folker.

HEARING OFFICER: Mr. Folker? I see. Do they work in the same area?

THE WITNESS: Yes.

HEARING OFFICER: Same general area as the buyers?

THE WITNESS: Yes.

HEARING OFFICER: Do the buyers have offices?

THE WITNESS: Yes. I should qualify it.

HEARING OFFICER: Private offices?

THE WITNESS: Private offices, with the exception of [32] two or three who are together in one office. We do not have anymore than two in an office, but because of space limitations we have two, four that occupy two-man offices.

MR. WINCH: Now, Mr. Reporter, will you mark this document for identification? Mark the document that says Buyer, Senior for identification.

(The document above-referred to was marked Employer's Exhibit No. 5 for identification)

MR. WINCH: Then mark this document, Buyer, Class 2, for identification.

(The document above-referred to was marked Employer's Exhibit 6 for identification)

MR. WINCH: Before I go on to this, I offer into evidence Employer's Exhibit 4 which we have been discussing.

HEARING OFFICER: Any objection?

MR. LARACY: I have a couple of questions on some of these people. We can leave this go until later. I have no objection to these.

HEARING OFFICER: You have no objection?

MR. LARACY: No, except for questions I want to ask later.

HEARING OFFICER: Employer's Exhibit 4 is received.

(The document above-referred to, heretofore marked Employer's Exhibit No. 4 for identification, was received into evidence)

[33] Q. (By Mr. Winch) Would you please state for the record what Exhibit 5 for identification is?

A. This is a job description for Bell Aerospace, the job description for a Senior Buyer. It describes in general terms what he must do, what is expected of him.

Q. Does it mean that he necessarily performs all the duties that are contained in the description of the job?

A. Yes.

Q. And he does that in practice, does he?

A. Yes.

Q. I show you Employer's Exhibit No. 6 for identification and ask you to state what that is?

A. This is a job description for a Buyer Class 2, who is of lesser capability and stature than a senior buyer.

Q. And does the description of the job accurately state the duties of the job performed by the Buyer Class 2?

A. Yes, it does.

MR. WINCH: I offer into evidence these two exhibits, 5 and 6 for identification.

HEARING OFFICER: Any objection?

MR. LARACY: No objection.

HEARING OFFICER: Employer's Exhibits 5 and 6 are received into evidence.

[34] (The documents above-referred to heretofore marked Employer's Exhibits 5 and 6, were received into evidence)

Q. (By Mr. Winch) I call to your attention that under Desirable Qualifications in the case of Buyer, Senior, it states, College Graduate with a Degree in

Business Administration or its Eqiuvalent in Training and Experience. Is it necessarily so these buyer-seniors should be college graduates?

A. No, it isn't.

Q. And also in Buyer, Class 2 it says, College Education or its Equivalent. Is it a necessary qualification?

A. No, it is not.

Q. What is necessary from the standpoint of qualifications before you would employ buyers in either one of these classifications?

A. Experience. In one word experience in a comparable type of duty, procurement work elsewhere, preferably in the field we are in. The more experience the better.

HEARING OFFICER: May I just ask you something here? On Employer's Exhibit No. 5 for Buyer, Senior, you have at least six years of successful and progressive experience in buying and related procurement activities. Is that the minimum number for a senior, Senior Buyer, six years experience?

[35] THE WITNESS: There may be exceptions, but I would say all of our Senior Buyers, all of them have at least six years or more experience.

HEARING OFFICER: Before they were hired?

THE WITNESS: I can't say that. Some of them had been there twenty or more years before I came here. They started at something less than Senior Buyer and worked up.

HEARING OFFICER: In hiring Buyer Class 2 would three to five years experience be essential?

THE WITNESS: I think it would, yes.

HEARING OFFICER: One more question. I notice Employer's Exhibit 5 is dated May 17th, 1963. Has the job description been changed since that date?

THE WITNESS: No.

HEARING OFFICER: Employer's Exhibit 6 is dated January 1st, 1944. Has that job description changed?

THE WITNESS: No, it has not.

HEARING OFFICER: All right.

Q. (By Mr. Winch) Now, will you explain in general terms the function of the Bell Company's Procurement

Department as to the acquisition of skills in given areas and the exercise of these skills? A general description of how your departments operate.

A. Do you want a mechanical description or could you [36] rephrase that, Mr. Winch? A mechanical description of how requisitions come into the department and are distributed or worked on?

Q. You can start with that, yes.

A. Well, requisitions come from a variety of sources. There are twenty-nine or thirty of them who feed us our go-ahead to do something. A requisition is an authorization to buy something that is a requirement, someone else needs something that we don't have.

Depending on what commodity the requisition covers, it either gets fed into the purchasing part of our department for straight off-the-shelfbuying or into sub contract where it is sent to the appropriate person or funneled out to a cognizant buyer who through lengths of service in a given field has developed certain expertise on that particular commodity.

Q. Do you mean to indicate some buyers are experts in one kind of work of the department and not in others?

A. Oh, yes, definitely.

Q. Would you explain that?

A. Well, as I said, buyers historically accumulate expertise in one or more fields of buying. There are numerous fields I can cite running from raw materials to MRO, Maintenance, Repair and Operating supplies, to casting and forging, to electronic sub assemblies, to [37] electronic bits and pieces, to simply conductors to hardware fasteners to complicated sub assemblies to complicated units such as Bi Propellant Valves or long distance radar. Radar is a big one.

These buyers become exposed over the years to these different commodities—different commodity fields. They become more expert than others. For instance, a buyer of hardware who has been doing it effectively for five years might fall flat on his face in raw materials. A buyer successfully buying electronic black boxes would not be as successful in the sub contract machining area because he has not been exposed to it. Length of ex-

posure to one or two given commodity fields makes a buyer effective. He learns the idiosyncrasies or ramifications of a given field, such as trade factors, pricing methodology, nomenclature, and he develops contacts as to where to go, who to call. He gets to know these people by name and he establishes rapport with these people so he can effectively and timely weigh things. He is used to the things he is experienced with whereas another person experienced in other commodities would have a hard time.

I am saying they are not interchangeable per se. As a matter of fact—if I'm going too long tell me. We have buyers right now in our department who have been —in our philosophy we like to rotate people to make them more [38] flexible, to give them experience and exposure to another commodity field. We had—we have a couple there right now that were given this opportunity to move from standard off-the-shelf areas into complex sub contracting, which is a lot different, and who asked to be returned to their original assignment because they couldn't hack it in the other. We had one who requested and received a downgrading. He is no longer with us because we put him in a sub contracting function and he could not sleep nights. It was beyond his capacity.

Q. Do these buyers go outside the plant in the course of their buying?

A. Oh, yes. Mostly the sub contract buyers go out of the plant. And you were discussing overtime. I might point out often they leave on a trip on a Sunday afternoon to catch a plane for Los Angeles or wherever they are travelling to all the time. They might get into negotiations in Los Angeles which amounts to twelve or fourteen hours a day. This is something where when 5:00 o'clock comes you do not blow a whistle, you continue.

Then they get on the "red eye", which is a middle of the night flight that gets you back to Buffalo at 10:00 a.m. They will come back to work that afternoon or maybe the next day, but they have been on twenty-four [39] hours a day duty on a casual basis. They do this often. We had six buyers last week and

this week on separate assignments out of town like that.

Q. And does their responsibility cease after they have placed an order?

A. No. Placement of the order is only the beginning. Once the order is placed they must monitor, they must manage. They monitor the performance of that vendor. They see that he does what he has contracted to do. They resolve problems to remove road blocks. They negotiate changes. They monitor and make sure that the vendor performs the way he was contracted to.

HEARING OFFICER: Excuse me. Mr. Seitz, could you just give us an example of this monitoring technique? Can we take a hypothetical order?

THE WITNESS: Yes. We will establish a parts work statement, a production plan. It might incorporate a line of balance, which is a chart method making visible the vendor's pipeline which results in the finished parts.

The first item to look for would be the completion of parts by casting or forging. The next thing they are received for inspection. They are put into a lathe. Then you assemble them in a milling machine. It's a simple test.

I've made it sound sort of sweet. Some have forty or [40] fifty control points. These are monitors by the buyer to make sure these pipeline activities fill up so that there won't be a bubble that would prevent the end method delivery.

HEARING OFFICER: In other words, he sees to it that these parts are progressing through the vendor's production process according to specifications?

THE WITNESS: Right. If these things do not happen corrective action has to be taken. He gets with the vendor to make sure something is happening to remove that block. Another method is milestone events.

MR. WINCH: I didn't understand that.

THE WITNESS: Milestones, major events which have to happen by a certain time in order for the vendor to meet his date. This could be materials, starting and stopping.

There are other methods. There are interchange meetings with the vendor that are covered in the negotia-

tions. The cost of these meetings is covered, which the buyer goes to the vendor's plant and gets a presentation as to the status of that job. Other methods are from the very simple to the very complex. The very simple is a matter of a phone call to the vendor, "Hey, you're supposed to ship tomorrow. Are you going to?" The vendor tells him yes or no. The action that fellow takes depends on what he tells him. Or it could be a lengthy trip, a real [41] inquisition to the vendor that looks down his throat to see that the vendor stands up or performs like he should.

Q. (By Mr. Winch) Does the buyer have discretion and independent judgment as to which method he should follow?

A. The buyer has great discretion, as Exhibit No. 5—which is the job description for Senior Buyer—says under general directions, and with considerable latitude for independent action. He has considerable latitude. We expect him to use his judgment to get the job done. It is a matter of judgment, discretion. He looks at a given set of circumstances and through his experience knows what has to be done in order to get it back on the track or to have a successful completion of contract.

MR. WINCH: Now, Mr. Reporter, I ask you to mark for identification this document entitled Bell Aerospace Systems Company Policy and Procedure.

(The document above-referred to was marked Employer's Exhibit 7 for identification)

MR. WINCH: There is a second page to this. I do not suppose that needs to be marked.

HEARING OFFICER: I think it is two-sided. That's correct.

MR. WINCH: This is one of four. That's actually four pages. This is Page—

[42] HEARING OFFICER: 3 and 4.

MR. WINCH: I suppose I should have Page 1 marked as being part of the same exhibit?

HEARING OFFICER: It's all the same document; that's correct. Let's mark it then as Employer's Exhibit 7, both pages.

MR. WINCH: Now, Mr. Hearing Reporter, I give you still another document marked Bell Aero Systems Company Departmental Job Constructions, which consists of a single sheet of paper with writing on both the front and back, and ask you to mark that for identification.

(The document above-referred to was marked Employer's Exhibit No. 8 for identification)

Q. (By Mr. Winch) Now, Mr. Seitz, I ask you to refer to an—to Exhibits 7 and 8 for identification and describe them and the functions which they are used to perform in your department.

A. Exhibit 7 is a Bell Aero Systems policy and procedure, commonly known as BAPP. This establishes financial limitations for Bell personnel who are selling something that Bell has to deliver or who are buying something, which my department does. This is a flow down of a Textron Limitation on the extent of commitments its personnel may make.

Q. What are those limitations in reference to [43] procurement commitments?

A. On Page 3 of the BAPP, procurement buyers are allowed to commit the company—that means sign the purchase order—up to $50,000, procurement supervisors up to $100,000, purchasing agents up to $500,000. And Mr. Cleveland and myself have no limitations on signing commitments for Bell to incur costs.

HEARING OFFICER: If I might just for my own clarification here, referring to Employer's Exhibit No. 3, the list of employees which I will show you, sir, what amount may the people on that list commit the company to?

THE WITNESS: These people make commitments up to $5,000 on their own discretion, provided they have recognition. All these people may sign up to $5,000.

HEARING OFFICER: Up to $5000?

THE WITNESS: Yes.

Q. (By Mr. Winch) Now, I ask you to refer to Exhibit 8 and differentiate that, if you will, from Exhibit 7, particularly with respect to the amount, the limitations?

A. No. 8 is a departmental job instruction which is issued entirely within my department, prepared by my department to define company policy as it relates to the procurement operation. Exhibit 8, DJI, Department Job Instruction 121-304 stratifies the signatory authorization requirements. It goes on to say the buyer is authorized to enter into [44] agreements on behalf of Bell Aero Systems Company in amounts not in excess of $5,000, without the necessity of securing additional signature approvals. Then it goes on to say above $5,000, but less than $10,000 an additional signature approval must be obtained. Between $5,000 and $10,000, it is the responsibility of the buyer to get his group supervisor's signature. Between $10,000 and $25,000 he has to get in addition to that, the purchasing agent's signature. From $25,000 to $50,000 it requires the signature of the Assistant Director of Procurement. When it goes over $50,000 he has to get my signature. When it goes over $100,000 he has to get the Vice-President of Finance and the Vice-President of Manufacturing's signature. That in essence is what Exhibit 8 is about.

Q. As a matter of practical operation, if a buyer makes a recommendation for a purchase in excess of $5,000, is that likely to be rejected or is it likely to be accepted? What is the usual procedure?

A. Of course as it goes up the levels of review more people get to look at it. More people get to question it. They question the buyer's discretion, his judgment, how did you arrive at the conclusion this is a good package which he is offering for approval.

The great majority of the time the buyer has done his homework well. He has convinced the people who now [45] have to approve what he has done that this is the way to go. There is some exercising his judgment. Did you consider this? Why don't you go this route? Sometimes as a result of these conferences within the department it might get modified slightly. But in the great majority of instances the buyer's homework and judgment and decision is concurred in.

Q. Can you give us some idea of the sort of presentation that the buyer makes when he gets orders above $5,000?

A. Yes. This would include, depending again on which strata it's going to, all the way up to a complete description of his source selection, source selection policy—not policy, why he selected the sources he did to solicit the bid, what bids were received, what fact-finding was conducted, what negotiation objectives were sent, what negotiations were conducted, and what the results of those negotiations were, arriving at the conclusion this now is a package that represents a mutual agreement between us and the vendor.

Of that kind of procurement that gets beyond $5,000 and must go higher for approval we have a standard package form which includes everything from the requisition to the recommended type of contract and the language of that contract that goes through the approval, signature approval routine which describes what is taking place, [46] what we are buying, where are you, why is it a good fixed price. This package is now a permanent part of the procurement file.

Q. Directing your attention again to purchases in amounts of less than $5,000, are there instances where buyers cancel an existing order or commitment or contract and place the order with an alternate vendor?

A. Yes, that can happen.

Q. It does happen in practice?

A. Yes.

HEARING OFFICER: On their own, sir?

THE WITNESS: Yes. This is within their jurisdiction.

Q. (By Mr. Winch) On these orders under $5,000, $5,000 or under, no approval is necessary?

A. That is correct.

Q. It is entirely up to the buyer?

A. It's strictly up to the buyer.

MR. WINCH: I offer in evidence Employee's Exhibits for identification 7 and 8.

HEARING OFFICER: We have 7 and 8. Oh, I'm sorry.

MR. WINCH: You have them for identification. I will offer them in evidence.

HEARING OFFICER: Any objection?

MR. LARACY: No objection.

HEARING OFFICER: All right. Employer's Exhibit 7 and [47] 8 are received in evidence.

(The documents above-referred to, heretofore marked Employer's Exhibits 7 and 8, were received in evidence)

MR. WINCH: Now, Mr. Reporter, I hand you a document entitled "Commitments by Buyers 1/2/69 through 7/31/70" and ask you to mark that for identification.

HEARING OFFICER: That will be Employer's Exhibit No. 9.

(The document above-referred to was marked Employer's Exhibit No. 9 for identification)

Q. (By Mr. Winch) Now, by reference to this exhibit will you state what it is intended to show? This is an exhibit you prepared at my request, I believe?

A. Yes.

Q. What is it intended to show and what does it show?

A. This shows the number of transactions that were committed by the buyers from January 2nd of 1969 through July 31st of this year, a period of nineteen months.

It shows the buyer, his identification number, which is the second column. These numbers after the buyer's name becomes something to purchase—become suffixes to purchase order numbers for easy identification purposes.

It shows the number of transactions during that period, [48] under $5,000, how many dollars that buyer committed in transactions of less than $5,000, how many transactions there were in that category, how many dollars he committed the company to in over $5,000 sizes, and the number of those transactions. Then there is an accumulative total of both categories, over and under. plus the total number of PO's purchase orders, that he placed during that period and the dollars he committed the company to.

I might clarify this further to say this does not constitute all of the work he has done. It is representative of it. These records were captured by EDP, Electronic Data Processing. These represent purchase order transactions that were recorded on EDP. There are a number of transactions the buyer commits that are not thought appropriate to keep on our computers, such as medical supplies for instance. These are production items primarily, raw materials that do get on our computers. It was easy to catch the number of these transactions, under $5,000, over $5,000, and their accumulative effect.

It shows for instance the third man down, Charles Hopkins, who is Buyer No. 6, spent $1,351,983.00 in transactions less than $5,000 where he needed no one's signature or approval. There were 3,299 of those types of transactions. He also spent $2,727,205.00 in over $5,000 transactions. There are 133 of those.

[49] Charlie Hopkins committed the company to in excess of $4,000,000 in that nineteen month period in 3,432 purchase orders.

Another big spender is La Belle, the seventh one down—eighth one. He didn't have too many under $5,000. He spent $15,462 in that category. But he spent $4,587,723 in the category over $5,000. In that period he committed twenty-seven transactions for better than four and a half million dollars.

MR. WINCH: I offer Exhibit No. 9 for identification into evidence.

HEARING OFFICER: Is there any objection?

MR. LARACY: No objection.

HEARING OFFICER: It is received into evidence.

(The document above-referred to heretofore marked Employer's Exhibit No. 9, was received into evidence)

THE WITNESS: I would like to point out one thing further. In the under $5,000 category, these buyers who are still with us committed the company to $7,671,172.00. That required no approval beyond their own good judgment.

HEARING OFFICER: Referring back also to Employer's Exhibit No. 4, which is the organization chart—

THE WITNESS: Yes?

HEARING OFFICER: You have several supervisors in that department. Among them is the purchase agent [50] Mr. J. P. Muni, under general purchasing?

THE WITNESS: Yes.

HEARING OFFICER: Would that be what you referred to as off-the-shelf or what?

THE WITNESS: Generally speaking, yes.

HEARING OFFICER: What kind of items would be purchased under general purchasing?

THE WITNESS: MRO, Maintenance, Repair and Operating supplies. This could include multi-thousand dollars, such as fuel oil, which is a half million dollar item. The purchase could be rental of IBM equipment, which is over a million dollars a year. It's everything you need to maintain, repair and operate your shop, light bulbs to replace the burned out bulbs, paint to refurbish the building, wiping rags for the shop, expendible tools for the shop, raw materials for the shop, paint, towels, desks, office supplies, stationary.

HEARING OFFICER: Now, for example, is Mr. Tomasino still a buyer under Mr. Muni?

THE WITNESS: Yes, he is a raw material buyer. The off-the-shelf type of things you wouldn't say are MRO that still come under Mr. Muni are the off-the-shelf type standard hardware. Special hardware or paints and thinners or adhesives that find their way into production, that would not be MRO. I'm talking about production materials [51] Mr. Muni buys. These are largely catalog items or standard items you could buy from a variety of sources.

Q. (By Mr. Winch) When you use the term "off-the-shelf" does the buyer simply go and pick an item, a given item or shop around or how does he perform that procurement function?

A. It depends on what off-the-shelf item it is. If it is something specific such as a General Electric motor for instance, it is off-the-shelf. It is a standard item. It is a catalog item. You are not going to shop around for it because General Electric is the only one that makes that. If the requisition says a General Electric

motor is its equal, then he can shop around. He can do this on his own discretion and come back and say, "Hey, I can get a Westinghouse cheaper. We can use that."

"Off-the-shelf" means a standard item made in quantity for the general public that we can specify and buy as an off-the-shelf item from a number of places, from a number of distributors or sources.

Q. Does the buyer in any way influence the company or you or Mr. Cleveland your assistant in determining how purchasing should be made and means of saving money for the company by changes in the method of purchasing?

A. Yes.

Q. Would you describe that, please?

[52] A. Well, we have a cost reduction program that has been going on ever since I have been there which it stresses being competitive by doing competitive procurement. It encourages the buyers to come up with better ways of doing their job to get a better buy at a better price. They make recommendations constantly as to how to do things better, how to do things like maybe putting a repetitive item on a blanket order which saves paper work and gets you a better price. Now you are lumping annual requirements into a lot more attractive package for the bidders to bid on.

Cost reductions in the form of a recommendation of an alternate material occurs. There are recommendations of a substitute for something that has been specified as a priority item. A buyer knows somebody else that is making something with a different and a little cheaper material.

Many times we go back to the requisitioner and say, "Hey, we can get something better than that at a better price." We rack up a couple of million dollars regarding cost reductions every year partly through this kind of activity.

MR. WINCH: Mr. Reporter, I hand you a document entitled Purchase Requisition Input to Procurement and ask you to mark that for identification.

[53] (The document above-referred to was marked Employer's Exhibit No. 10 for identification)

Q. (By Mr. Winch) Now I am going to look over your shoulder because I do not have a copy for myself. Will you please explain for the record what Exhibit 10 for identification is intended to show?

A. This shows and as the title indicates the purchase requisition input to procurement. This is a requirement what the people need that we have to get for them. This shows up to us in the form of a requisition. It shows that from January 1st to July 31st of this year we received a total of 15,977 such inputs. It shows that 5,050 of these came from 1286 people.

And in the form of requisitions for production requirements, for outside tooling and for machinery and equipment, it shows that twice as many came from 26 other sources. These are procurements customers and departments that need something come to procurement to buy it for them.

We received a total of over 10,000 requisitions from 26 sources delineated in these blocks. Probably I can elaborate on it. Electronic systems is self-explanatory. Engineering labs, manufacturing engineering labs, research and development labs—

[54] Q. That's R & D, Research & Development?

A. Yes. MRO. Then we buy things for traffic and garage. We buy packaging supplies so we can ship our products. We buy medical dispensary supplies. Product assurance is quality. Photographic supplies; office supplies, that includes desks, stationary, phones; perishable tools are drills, reamers, things like that. Reproduction service, we buy their paper for them. Plant engineering covers a wide field. If the parking lot needs resurfacing a requisition comes in from them. The rocket lab is a test lab who buys a variety of hardware. Technical data control got left out of that one. We buy a variety of things for them.

HEARING OFFICER: Such as?

THE WITNESS: Hardware, valves, raw materials, the things they want to test. Personnel, we do some business with them in the form of requisitions for tem-

porary help, consultant, for outside services. Architectural services comes into play when we are going to build new buildings or modify one, like if we have to put a roof on one. Technical communication, we buy the *Rendezvous*, which is a monthly magazine Bell publishes for its personnel. EDP, Electronic Data Process. This is IBM equipment that we rent or buy, including paper services, soft ware programming. Capital equipment, non-manufacturing, [55] the differentiation there is made because some capital equipment comes from the group at the upper left-hand side, like machinery and equipment, which is a twelve—1286 function. But we do not buy all of our capital equipment on their requisition. We get requisitions from capital equipment, from quality, engineering, from the lab. The technical library, we order books, publications and periodicals for them. Safety is a yellow strip of paint for the aisle, goggles, safety shoes, it's special gloves and creams for people exposed to fumes that could be dangerous. Data phone is a communication equipment that we established that lets you insert an IBM card in a sender at our end. It is received at a vendor at the other end that prints out what it is you are putting in at this end. This becomes a purchase order without putting it on the card. "T" cards are tool cards which could be for repetitive type of reamers or a perishable tool that we use often. A "T" card, there is one for each of these repetitive items. If it's a 5 x 8 that describes the item at the top. Everytime a man in the tool crib needs something described in there he sends to procurement and we take the card and send it back. He puts it in the file. Altogether there are during the seven-month period, over 10,000 of these types of input that came into the department that did not [56] have anything to do with 1286.

Q. Looking at the left-hand side of this Exhibit 10 there is a heading "Upon Receipt of Procurement".

A. Purchase Requisitions.

Q. Purchase requisitions? Does that show what is done when a requisition is received?

A. Yes. This is a nutshell a version of what happens when we get a requirement from someone. We review

the purchase order first of all and see that it has the proper signature.

HEARING OFFICER: Who reviews the purchase order?

THE WITNESS: We have one focal point, who in this case is Mr. Muni.

HEARING OFFICER: For all buyers?

THE WITNESS: for all buyers. He reviews it and sees what category it's in and sends it to the other supervisor. That's the next step. Then it is assigned to a buyer. This is assigned to the appropriate buyer who has the expertise in that given commodity.

HEARING OFFICER: When you say "assigned to a buyer", you mean that Mr. Muni would hand the requisition to one of the supervisors like Mr. Wing or Mr. Hamann?

THE WITNESS: Yes.

HEARING OFFICER: Mr. Wing or Mr. Hamann—

THE WITNESS: Would assign it to one of their buyers [57] in their group and the buyer then prepares his bid package.

HEARING OFFICER: This is the individual?

THE WITNESS: The individual buyer that the requisition has been assigned to.

HEARING OFFICER: What do you mean "prepares a bid package"?

THE WITNESS: This can go from the extreme simplicity to the multiple complex type of package, depending on what it is.

HEARING OFFICER: If it is again a General Electric motor?

THE WITNESS: You do not need a bid package. You've got a part number and you know where to go to get this item. It's a telephone call. If it is a Phased Array Antenna which is a new development in the radar field where you get a pickup from a variety of sources, it's got a 180 degree capability of receiving, there are probably twenty companies in the country that are involved in the development of Phased Array Antenna we use in our aircraft landing system.

HEARING OFFICER: In other words the buyer would then prepare a statement of what it was the company wanted?

THE WITNESS: Yes. This I am getting to. This would [58] be a work statement which would include specifications that we want met, the schedule we want met, the type of contract we propose to negotiate, the quantity of course, and the quality requirement that has to surround this particular item. These bid packages can get quite detailed. They can amount to graphically a package that thick (indicating) of specifications.

MR. WINCH: Indicating about three inches?

THE WITNESS: Yes, indicating this is a complicated requirement, now this is what we want you to bid on and how we want you to bid.

HEARING OFFICER: Does the buyer do this by himself or does he consult with engineering?

THE WITNESS: He consults with engineers, he consults with just about everybody, every other discipline in order to make sure he has a good package. He would go to legal and find out what terms and conditions apply to this prime contract which we are letting a sub contract under.

He would go to engineering to get engineering specifications. He would go to material control to get blueprints properly if this is something we are going to buy.

HEARING OFFICER: Are all the buyers, those under general purchasing or sub contracting or anybody, would all the buyers at some point prepare bid packages?

[59] THE WITNESS: Yes, if you want to consider the simple question for quotations, which now is a standard item and can go to three or four sources. We have a request for quotation form which is a bid package which describes what we want, how much we want, when we want them.

HEARING OFFICER: Would those buyers under general purchasing ever prepare elaborte packages?

THE WITNESS: Some do. Mr. O'Bresly has prepared this for the Minute Man P106 cable assembly. Mr. Pearson prepares this kind of package for the—Pearson is Moog, I'm sorry. I guess O'Bresly is under that category that

prepares this kind of package.

HEARING OFFICER: Do all of these buyers, do they have the discretion of determining what company they will solicit bids from?

THE WITNESS: Yes.

HEARING OFFICER: Okay. Continue, sir.

MR. WINCH: Thank you. I offer in evidence, Exhibit No. 10.

HEARING OFFICER: Any objection?

MR.LARACY: I'd just as soon—I just assumed No. 1286 refers to Local 1286?

THE WITNESS: Yes.

[60] MR. LARACY: No objection.

HEARING OFFICER: Local 1286?

MR. LARACY: Pardon?

HEARING OFFICER: Let's go off the record.

(Discussion off the record)

HEARING OFFICER: Okay, back on the record. Employer's Exhibit No. 10 is receveid.

(The document above-referred to, heretofore marked Employer's Exhibit No. 10, was received in evidence)

Q (By Hearing Officer Palermo) On Employer's Exhibti No. 10 what does "PR'S initiated by 1286" mean there?

A Members of Local 1286.

Q That refers to the departments we dicussed on the blueprint?

A Yes, four members of the Amalgamated.

Q Let's continue with this. After he prepares the bid package the buyer then solicits bids?

A Yes.

Q Would you determine from whom he would solicit this, regardless of the cost, even if it were more than $5,000?

A Yes.

Q You have Item 5, "Receives and evaluates bids". What does that mean?

A He puts a time limit on how long the selected bidders [61] have to prepare their bid and get them in. And when

he gets all the bids in he evaluates them. He will make a spread sheet and list the various items of course from one vendor versus another vendor. He will call together his team in some cases where he sees fit to put a team together to evaluate the engineering input, to evaluate the quality input.

The buyer has at his resource all of the other disciplines at Bell. When he has a requirement where he thinks he needs technical assistance, such as technical input or quality input or legal input, he is free to call in these people to serve with him as a team. He has to evaluate, as team chairman, the—not only evaluate, but prepare a team package to make sure what we are asking for is going to meet the prime package. When these bids come in they are evaluated either by the buyer, who can do this by himself, or if he has established a team, by the team.

Q Then he detrmines who is going to get the bid I imagine? That's No. 6.

A Yes, makes source selection.

Q He does that independently?

A Yes. He uses the inputs of the other people.

Q But it is his decision?

A It is his decision. And this of course is a decision [62] that is arrived at with the help of others. But it is the buyer's final decision.

Q You mean he has to go to supervision?

A No. He may, but I'm speaking now of members of his team or the people of engineering he called into evaluate his bids.

Q What is No. 7, Conducts fact-finding?

A This does not apply to the off-the-shelf items where the price is cataloged and the item is sold in quantity to the general public. This now relates to a complicated or more complex sub contract item. This is usually a Bell Design which does not have too much competition to aid the buyer in selecting the best price. This is leading toward a negotiating—a negotiated price. This means examining all facets of the bidder's proposal, how many hours does he have in there for machine casting, how many hours of engineering, support labor, how many hours of quality does he have in there, what is his overhead, what is

his G and A, do we have an assist order from DECAS. Usually we do on more substantial commitments. Does he understand the requirement? How much material has he got in there? How much has he priced it at? How much hardware does he have to buy? What kind of service does he have to buy, such as heat treating or whatever he doesn't have.

[63] He has to evaluate all these things and establish whether or not the bid is inflated. Sometimes there are some things that you have to question. When you are fact-finding you go in and get him to show you his quotation for those outside services. You argue with him a bit about whether it should be eighteen hours per unit of engineering support or sixteen hours.

Q When he starts arguing with him I imagine that is where you get into negotiating price?

A You find out how he put his bid together. Then you come back and re-group with the people that were called in to help you and you establish negotiation objectives.

The quality man might say he's got too many inspection hours, he doesn't need half of that. So, you establish negotiating objectives. The buyer of this package spells those out in writing. These negotiation objectives then become the basis for the negotiations which are set out.

Q What if for example your quality man back at Bell says the vendor has too many quality checks? Does the buyer have the authority to overrule Bell's quality man? I mean, could he for example say I don't think so?

A He could but it's not our policy to do so.

Q Say he goes to negotiate and the vendor is not willing to give up the quality checks but he is willing to [64] give up something else. Is the buyer free to negotiate and agree to that with the vendor?

A Yes, he agrees to it subject to final approval of whatever signature level the package has to go to.

Q Say under $5,000?

A Under $5,000, no question.

Q But over $5,000?

A He would have to come back and explain to us why he could not reach his objective and he had to spend a little more because actually there were more quality—the

vendor saw more quality hours than our quality man did. There we have to get the two together to make a judgment as to who is right and is there room for compromise.

Q Then he prepares and issues a PO? In other words, if negotiations go well?

A Yes. They have to be approved. They have to have an approved package and a mutual agreement.

Q Who approves this?

A It depends on the signatory strata. Up to $5,000 nobody but the buyer, over $5,000 you have to get the approval of the signator.

HEARING OFFICER: I think we covered how he monitors problems and coordinates problems. You may continue, Mr. Winch.

Q (By Mr. Winch) Now, will you address yourself to [65] Mr. Wack's testimony saying that procurement people, buyers, are like professionals and describe how procurement and purchasing have changed during your experience as a Procurement Director and Procurement Manager?

A Well, procurement and purchasing are synonymous. There has been a great deal of change since 1939 when I entered it. We have gone from the horse and buggy days of buying. It now requires experts and skilled people who know what they are doing, to do a job under today's governmental DOD requirements, particularly. ASPR's have grown three times.

Q What are ASPR's?

A Armed Services Procurement Regulations.

HEARING OFFICER: DOD means Department of Defense?

THE WITNESS: Yes. There is no doubt in my mind purchasing is a management function. The official trade organ of purchasing is known as the National Association of Purchasing Management, of which we have a sufficient number in our department who belong to this Management Association who are voluntary members. They pay their own dues.

Historically buyers have represented management in their dealings with suppliers. The image that Bell or any company has in the commercial world, a good part of it is due to the image that the buyer projects because this

[66] is the only image the vendor sees, the only image the buyer sees, and it is management's image.

This is where vendors get orders from. He knows who is calling the shot from Bell. It is the man giving him the order.

As I indicated, some three million dollars a year worth of these orders are committed by buyers who are the sole authorized agents of the company to commit the company for any amount. So, this I think is a management function for we are spending management's money to achieve objectives. All purchasing people like executives in any other organization have constant interface with line and staff executives, the people they are servicing in the plant. They have interface with principals, the management and representatives of suppliers. They represent management to the suppliers.

To the outside world the purchasing man has more contact with outsiders than any other man in the company including the Public Relations Department. To the outside world the buyer is Bell's management. He represents management in describing the package we put together.

The position of the buyer is team chairman of the group that puts these things together. There is no question but what he manages the effects of the team he puts together within the plant. These teams usually [67] consist of managerial types from other disciplines, such as the Manager of Quality Assurance or Director of Technical Engineering or the Legal Counsel from Joe Conner's shop.

The fact that they can commit up to $5,000 and the amount of $7,000,000 just over the past year and a half indicates that we give them a lot of flexibility.

We give them a lot of prestige. On their judgment they can commit the company to this kind of money without further approval being required. And they represent Bell to the business world in this kind of volume to achieve management's objective. I just don't see how the—

MR. LARACY: What was the question

HEARING OFFICER: Are you objecting?

THE WITNESS: I got off the track. The question was—

HEARING OFFICER: I believe the question was, Mr. Winch asked for a description of how the purchasing function has changed over the years.

MR. WINCH: That's right.

THE WITNESS: And I thought you said how it had become a part of management in my estimate. That was what I was addressing myself to. It certainly changed over the past years, as anyone in the room who has been conneceted with DOD business is aware. We've come a long way in the complexity of things.

[68] HEARING OFFICER: Did you have anything further?

MR. WINCH: Not for now.

HEARING OFFICER: Let's break until 1:30. The hearing is adjourned until 1:30.

(Whereupon, at 12:30 p.m., the hearing in the above-entitled matter adjourned, to reconvene at 1:30 p.m., the same day)

[69] AFTERNOON SESSION

HEARING OFFICER: PALERMO: On the record.

MR. WINCH: Mr. Seitz, will you resume the stand? Whereupon,

FREDERICK M. SEITZ

resumed the stand and testified further as follows:

HEARING OFFICER: Mr. Seitz, you are still under oath.

THE WITNESS: Yes, sir.

HEARING OFFICER: Mr. Winch, you have no further questions; is that correct?

MR. WINCH: That is correct.

CROSS-EXAMINATION

Q. (By Hearing Officer Palermo) Mr. Seitz, I think we already have this but just to be sure, the buyers are salaried; is that correct?

A. That is correct.

Q. And you said that, just by way of review, that their casual overtime is not compensated?

A. That is correct.

Q. But if there was scheduled overtime those in the lower pay bracket would receive time and a half possibly and those in the upper pay bracket would receive straight time?

A. I am not sure how the formula works but that is the [70] theory.

Q. What is the pay range of buyers starting with the Class 2 Buyers? What are the Class 2 Buyers paid?

A. The lowest is somewhere around $165, and I am subject to correction. The lowest one in our department at the present time gets $195.

Q. What is the highest?

A. The highest is somewhere just this side of $300, $290 or something, and the highest in our department gets $271. That's a Senior Buyer.

Q. A Class 2 Buyer, what is the highest Class 2 Buyer?

A. 2? I have some notes if I can get them. I have them in there.

MR. LARACY: Sure.

HEARING OFFICER: Go right ahead.

MR. LARACY: We are off the record?

HEARING OFFICER: Off the record.

(Discussion off the record)

HEARING OFFICER: On the record.

Q. (By Hearing Officer Palermo) Let me rephrase my question. Could you give me the salary range for Class 2 Buyers?

A. Yes. This is actual, $195 to $211.

MR. LARACY: What is that again?

THE WITNESS: $211.

[71] Q. (By Hearing Officer Palermo) And for Senior Buyer?

A. $226 to $271.

Q. According to your employee list here, as I recall it, there are six Class 2 Buyers and nineteen Senior Buyers at the present time; is that correct?

A. That's right.

MR. WINCH: If the Hearing Officer please, we are having a further check made over the telephone. Mr. Wacks tells me that there is some question as to just what the spread is.

MR. WACKS: Here is the man.

HEARING OFFICER: Excuse me, off the record.

(Discussion off the record)

HEARING OFFICER: On the record.

Q. (By Hearing Officer Palermo) Mr. Seitz, the figure you just gave us, as I understand it on the basis of our off-the-record discussion, are the actual records from your latest information?

A. That is correct.

Q. What is the company's spread for those two classifications starting with Class 2 Buyers?

A. Minimum $141, maximum $219, Class 2.

Q. For Senior?

A. $175 to $287, Senior Buyer.

Q. Have any of these Senior Buyers currently on your [72] payroll been promoted from Buyer Class 2?

A. Oh, yes.

Q. How many? Do you know offhand?

A. I couldn't answer that without checking it. I would have to really make a survey of this. At least a half dozen.

Q. At least six. Now, the Class 2 Buyers, according to their job description, work under the supervision of the supervisor of purchasing or an individual of equal or higher rank. In practice do the Class 2 Buyers have a fairly wide degree of autonomy?

A. Yes. They have just such flexibility and their discretion applies up to $5,000 without any higher authorization required.

Q. Can they independently select the vendor?

A. Yes.

Q. Do they visit the vendor?

A. Yes.

Q. And they negotiate prices with the vendor?

A. Yes.

Q. How often are they paid, weekly or monthly?

A. Weekly.

Q. Are all your other employees paid weekly to the best of your knowledge?

A. Yes.

[73] Q. Do buyers move into upper supervisory positions?

A. Yes.

Q. For example, was Mr. Wing?

A. Mr. Wing and Mr. Hamann were both Senior Buyers.

Q. Would you expect that in the normal course of events if these jobs currently being held by supervisors were to become vacant, that there will be a progression from among the Buyers? I am not saying that would be absolute.

A. Yes, we would prefer this.

Q. Do the buyers, both Class 2 and Senior, receive benefits other than your hourly employees?

A. Yes.

Q. What are these?

A. I would appreciate deferring to someone in Industrial Relations on that question.

Q. Okay. You indicated that it is not always essential these buyers have a college education. Is a high school education required?

A. It is not required.

Q. Do you have any buyers who are not now high school graduates?

A. I don't know of any.

Q. You don't know of any?

A. No, I do not.

Q. Would the company prefer people with college [74] backgrounds or experience or what?

A. I think of course a college background indicates a discipline of how you apply yourself to problems. I would say, all things being equal, we would prefer a college background. However, I do not think it is really a criteria. I would like to see an equal in actual experience. I think experience is the real criteria that I would look for.

Q. When a new buyer is hired, what kind of training do they go through from the company itself?

A. There is no formal training plan. Of course we expose them to the BAPP's, the Bell Aerospace Policy and Procedure. And we indoctrinate them as well as we can in the way that we operate, the requisition routine and the internal limitations and authorization.

Q. Would they work along with a more experienced buyer say when they are being trained?

A. Yes, under the close supervision of a group supervisor.

Q. About how much time will it take, and I am sure it would vary from individual to individual, but as an average approximately how much time is required to train a new buyer at Bell?

A. I'm afraid as you said that varies depending on the capability and experience of the new buyer.

[75] Q. Can you give me a range?

A. A new buyer can be effective at Bell within a couple of weeks, based again on his knowledge of procurement and the supervision he gets.

Q. Well, a person who could become profficient within two weeks, would this be a person with aerospace experience?

A. Yes. I would qualify that and say the commodity with which he is assigned also.

Q. Is there ever any interchange of buyers in general purchasing, avionics or any of the other areas?

A. Interchange in assignments you mean between—

Q. Yes. In other words, in a rush season could a buyer be moved out of general purchasing and put into avionics?

A. Yes.

Q. Has this been done?

A. Yes.

Q. Do the buyers ever move laterally from one area, for example General Purchasing, to say Propulsion on a permanent basis?

A. Yes.

Q. Would the more experienced buyer work in any particular area?

A. Yes.

Q. What area would be the most profficient?

[76] A. That would be the sub contracting area.

Q. Of both propulsion and outside manufacturing?

A. Yes.

Q. What is outside manufacturing, by the way?

A. This is the farming out of either shop overload or work that can best be done outside because of specialized equipment that is available outside. We call it "outside procurement", outside machines, sub contract.

If I may I would like to expand a little in the direction you seem to be taking. The buyers all over the department in both sections follows the same procedure. Buyers in the general section which I categorized as "off-the-shelf", it need not necessarily be an off-the-shelf commodity he is buying. He can put together the same package. He has the same authorization to select different vendors as the other ones.

In some cases in that general section we get a large sub contract package. In this section is the buyer who handles all of our plant rehabilitation and the building of new buildings. In this section is the buyer who handles all of the capital equipment. They could run into a $50,000 electronic microscope for instance. In these type deals they must get together the same kind of package of substantiation as one in the sub contract area. And it can get so complicated in the general purchasing section.

[77] Q. Do the buyers have any control over any other employees employed by Bell?

A. Yes.

Q. In what way?

A. They have girls assigned to them, to a group of them. We do not have the luxury of a girl for each buyer. Of course they direct the activities of these girls in doing their work for them the way they want it done.

Q. Do they actually enter into hiring or firing or the evaluating of these girls?

A. No, except, indirectly in commenting to the girls supervisor who is Mr. Folker. If there is dissatisfaction with a particular girl we try to arrange a switch to make that personality change.

Q. Would they recommend a girl be fired?

A. Yes.

Q. Would their recommendation be followed?

A. Not automatically. It depends on Mr. Folker's judgment as to whether it is warranted or not.

They also supervise in a number of cases the salaried expeditors who are assigned to their particular project.

Q. Now that you brought them up, expeditors are also under your—not your immediate supervision but under your general supervision; is that correct?

[78] A. Yes.

Q. According to the Employer's Exhibit No. 4 they work under the administrative management of Mr. Folker?

A. Yes.

Q. And more directly under Mr. Chase the Expediting supervisor; is that correct?

A. Yes.

Q. What is the function of the expeditors?

A. It is to expedite. That's really to follow up orders.

Q. Can you give me an example of what they might do?

A. They receive a copy of the purchase order. They enter it in their file, their log.

Q. At what stage do they receive purchase orders?

A. As soon as it is typed.

Q. Has the buyer yet had anything to do with it?

A. Yes, the buyer has prepared it and had it typed and signed it and sent it out. Now the expeditor gets a copy of it.

Q. What does he do?

A. He enters a receiving report, makes phone calls, follows the buyer's instructions as to what type of follow-up might be needed.

Q. Such as?

A. Such as a phone call or such as monitoring the line [79] of balance charge or major activity milestone reports.

Q. The expeditors are also in Department [212]; is that correct?

A. Yes.

Q. Where physically in the building, where would they work in relation to the buyers?

A. In the same department, in the same office, same general office area.

Q. Now, you indicated that the buyers have either private or semi-private offices?

A. That is correct.

Q. Are they all off of a large hall? Is that it, or how would you describe it?

A. They surrounded two general areas really. These are offices that are partitioned off from the center of the large room. And in the center of the room the clerical workers sit.

Q. Where do the expeditors sit?

A. In the center of the room.

Q. In the center with the clerical?

A. Yes.

Q. How are expeditors paid?

A. We have four that are on salary and two that are hourly.

Q. What is the approximate salary of expeditors?

[80] A. I'm afraid I can't answer that.

Q. Is it less than Class 2 Buyers?

A. Yes. The hourly is less. The salaried expeditor is about the same as a Class 2 Buyer.

Q. Do the expeditors exercise autonomy in performing their task?

MR. WINCH: Now, if the Hearing Officer please, I had not wanted to interrupt but the question is directed to the witness and is intended to indicate that this might be increased to include expeditors. The company objects to that line of questioning. We think the only question before the Board is whether or not the buyers constitute an appropriate unit.

HEARING OFFICER: Because the Regional Director has to determine whether or not the unit being sought in the petition is an appropriate unit, and in light of the fact that there was testimony prior to Mr. Seitz that the expeditors and cost and price analysts work in the same general vicinity with the buyers, I am going to overrule your objection, Mr. Winch, and of course

advise you that you may take an automatic exception to my ruling.

MR. WINCH: Thank you. I do take that exception to your ruling.

HEARING OFFICER: Fine.

Q. (By Hearing Officer Palermo) So, continuing now, [81] do these expeditors exercise independent judgment at work or are they closely supervised by buyers or what?

A. They are closely supervised. I would have to say they exercise independent judgment as to whether a telephone call or telegram would be in line, to answer your question.

Q. Do they have authority to commit the Employer's credit?

A. No, they do not.

Q. Do they come in day-to-day contact with the buyers?

A. Yes.

Q. Frequently?

A. Yes.

Q. Do they receive the same general benefits as buyers?

A. Salaried ones, yes. The hourly one, I again defer to Industrial Relations.

Q. While we are on this line, how about the cost and price analyst? What is their function?

A. They review purchase order packages to make sure everything is in the package before it goes for signatures. They check audit records.

Q. Of what?

A. Of a vendor's proposal. They analyze price, analyze cost.

Q. Are there two of them?

[82] A. Yes.

Q. Mr. Starke and—

A. Starke and Victor.

Q. Are they hourly paid?

A. They are salaried.

Q. Are they paid less than or equal to or more than Class 2 Buyers?

MR. WINCH: If the Hearing Officer please, may it be understood my same objection applies to this same line of questioning?

HEARING OFFICER: Very good, and I shall overrule for the same reason and again advise you may take exception.

MR. WINCH: Exception, thank you.

THE WITNESS: I am not sure I have that here. They are in the same range with the Senior Buyers.

Q. (By Hearing Officer Palermo) With the Senior Buyers?

A. I'm afraid I can't answer that without digging a little more.

VOICE: Can I answer that?

THE WITNESS: Yes.

HEARING OFFICER: Off the record.

(Discussion off the record)

HEARING OFFICER: On the record.

Q. (By Hearing Officer Palermo) Yes?

[83] A. The question was what pay range are they in?

Q. Yes.

A. They are in the same range as a Senior Buyer.

MR. WINCH: Now, if I may interpose, Mr. Hearing Officer, I would like to have the witness clarify as to whether he is talking about actual ranges or company ranges.

Q. (By Hearing Officer Palermo) Would you do that, sir? What is the company range?

A. I'm talking about both.

Q. Do you have information there as to what the company's range is for that job?

A. These are the only two jobs of that classification in the company.

Q. What are they paid? Do you have that?

A. Yes.

Q. What is it?

A. One gets $243, the other gets $245.

MR. SCHMIT: May we go off the record?

HEARING OFFICER: Yes, off the record.

(Discussion off the record)

HEARING OFFICER: On the record.

Counsel for the Employer has indicated that they would like an opportunity to check to see the actual wage range for cost and price analyst. So, we will defer [84] answering that question until that information is obtained.

Q. (By Hearing Officer Palermo) Do the cost and price analyst have any authority to commit the employer's credit?

A. No, they do not.

Q. Do they work under the general or informal supervision of buyers?

A. No.

Q. Do they come in day-to-day-contact with buyers?

A. Yes.

Q. In the line of work?

A. Yes.

Q. Where would the cost—Mr. Starke and Mr. Victor sit? Do they also sit in the center area?

A. Not in the center area. They sit across the aisle in the next group of offices.

Q. Do they have private offices?

A. Yes.

Q. They each have a private office?

A. Yes.

Q. Do any of these employees punch time clocks? By "any employees" I mean expeditors and the analysts and the buyers.

A. At Bell everyone from Mr. Gisel, who is President, down to the lowest classification, everyone punches a time clock. I do.

[85] Q. I see. Do all the employees of Department 121 punch the same time clock?

A. I guess.

Q. Maybe I'd better qualify that. Obviously we are not including people that work in the WRO?

A. No. Depending on which parking lot they use I guess they decide which time clock is going to be the most convenient. The majority do punch the same one. There are two that generally they punch.

Q. I see. You mentioned that the WRO people—is listed on the chart PBPS WRO, Manager, J. P. Kamp.

A. That's right.

Q. Under him there are three names listed?

A. Right.

Q. Would you explain briefly where the—you call it the Western Regional Offices, WRO, is located?

A. Yes. That is Los Angeles.

Q. Are those three employees listed under that box on Employer's Exhibit 4, are they permanently assigned to Los Angeles?

A. Yes, they are.

HEARING OFFICER: All right. Mr. Laracy, do you have any questions?

MR. LARACY: Yes. I would like a short recess for about two minutes.

[86] HEARING OFFICER: Let's take a short recess. Off the record.

(Short recess taken)

HEARING OFFICER: On the record.

Q. (By Hearing Officer) Mr. Seitz, I understand that during our brief recess you obtained the wage range for the cost analyst?

A. Yes.

Q. What is the range?

A. The range is from $163 minimum to $259 maximum.

Q. That is the company's range?

A. Yes.

HEARING OFFICER: Mr. Laracy, do you want to proceed?

MR. WINCH: There are additional rates.

THE WITNESS: I have the salaried expeditor's range, which is from $141 minimum to $219 maximum.

The hourly expeditors go from $3.75 per hour minimum to $4.50 per hour maximum. There are two classes of hourly expeditors. The second class of hourly expeditors goes from $3.985 an hour minimum to $4.88 per hour maximum.

Q. (By Hearing Officer Palermo) Is the difference between the salaried and the hourly paid expeditors based on experience and education?

[87] A. Yes.

Q. Would any salaried expeditor ever hope to become salaried?

MR. WINCH: I think you misspoke.

Q. (By Hearing Officer Palermo) I'm sorry. Would any hourly expeditor ever become a salaried expeditor?

A. Yes, it is possible.

Q. Would this be the normal progression?

A. Yes.

HEARING OFFICER: Mr. Laracy.

CROSS-EXAMINATION

Q. (By Mr. Laracy) Would you say that Expeditor I and Expeditor II is the official title?

A. Class I and Class II.

Q. Expeditor I and Expeditor II. Let's start off with Exhibit No. 10, purchase requisition and procurement. Do you have a copy of that?

A. I remember—yes, I have it.

Q. Let's start with Local 1286 on the left, PR's initiated through Local 1286. How does a buyer purchase a tool or machine tool? I would assume that—well, let me rephrase that. How does a buyer receive requisitions from members of Local 1286?

A. These come into the department. First they go through the Finance Department for an audit check which merely [88] confirms that the right work order was used and the person who signed the requisition was authorized to sign requisitions. Then it comes to the procurement office where it is funneled through Mr. Muni, the focal point, who separates these into categories that go to group supervisors.

Q. Who makes up these requisitions in Local 1286?

A. In 1286 it's the production material control schedulers and dispatchers I guess their title is. But it is the schedulers that do it. Also in the Plant Engineering Department—Production Engineering Department, excuse me—these are made up by people reporting to Jim Domino, who are 1286 people.

Q. So, production schedulers make up the requisitions for production parts? Is that right?

A. No. I think I misled you. It's my fault. I think they are called material control schedulers that make up requisitions.

Q. Do they make out requisitions and determine how many parts of certain part numbers should be ordered?

A. They do not determine that. Well, I shouldn't say that. They enter the quantity on the requisition.

Q. These requisitions are then processed through the Purchasing Department and assigned to a buyer?

[89] A. That's right.

Q. Does a buyer have a choice of vendors to buy these parts from?

A. Yes.

Q. Is he ever confined to one vendor?

A. Sometimes.

Q. Does a buyer have contact with the material control scheduler?

A. Yes.

Q. How often would these contacts occur?

A. Without appearing facetious, if he cannot read the writing on the requisition or if something appears to be missing or he doesn't have the blueprint that should accompany it he will call and say he needs more information.

Q. Does a buyer ever question the fact they may not need that many parts?

A. Yes.

Q. How about machine tools and tools themselves? Who originates these requisitions?

A. There are two separate things here now. Machine tools are capital equipment. If we are talking about lathes or drill presses or something like that then these must go through management to get approval to spend capital funds. Production engineering determines the need for new tools, new machine tools, and generates the expenditure request which has to go through management to [90] get signed. Then they generate a requisition which calls for the particular tool.

Q. What personnel in production engineering performs the actual work, the drawing, the design, the blueprint and so forth? Who actually decides the need for these tools

or machines occupation-wise? We are not necessarily looking for individuals here.

A. I'm afraid I can't answer that.

Q. They are then processed through management?

A. Capital equipment. Now we get into another kind. This may not be your question. There is another kind that is requisitioned by 1286 personnel. These are the tools that a sub contractor needs to machine a part that the buyer has negotiated to be brought on the outside. The man will need a drill jig or he will need a punch die or a locating fixture or assembly fixture. When the vendor quotes this part to the buyer he will list the tools he needs to make that part and he will price these separately because these become Government property. They belong to the Government under our tool accountability program. So, these have to have controls established on them.

When a buyer gets this list of tools that have to be brought by the vendor to make the vendor's parts he sends the list upstairs to the tool control department [91] who now assigns a number to them, enters it on an EDP report and keeps track of them and sends requisitions down to authorize these tools.

Q. The buyer then has a choice of vendor?

A. Not in that case. He doesn't on that kind of tool. We may have to go outside to buy tools from stores. There may be a tool room overload at Bell. They need the tools faster than the tool room can get them out.

We will get requisitions to buy them, a kind of tool room aid for us at Bell. There we have a choice of vendor. There we send them out to the job shops that make tools and get competitive prices.

Q. In purchasing under $5,000 does a buyer ever have occasion to come up to a supervisor or Mr. Muni or you or Mr. Cleveland and discuss the matter even though it is an item under $5,000?

A. Yes. Our door is alway opened.

Q. He has occasion to discuss even purchases under $5,000?

A. Yes.

Q. You mentioned buyers have the right to cancel orders under $5,000. Why would they cancel an order under $5,000?

A. The vendor might have had a fire or strike or a breakdown of some kind and now cannot meet the delivery [92] he said he would make. The buyer cancels that order and goes and finds someone else.

Q. Somebody notified him those parts or tools are no longer needed?

A. That could happen too.

Q. He is really just following instructions here. Now, on Exhibit 10 on the right-hand side PR's initiated by twenty-six other sources, we do not take every source? Take the Engineering Lab. Who initiates requisitions there?

A. Somebody that works for George Kapelton. I don't know who these people are. He is the Chief Engineer in charge of the Engineering Labs. And the people that work for him generate requisitions for material for parts for hardware, things they want to test.

Q. They would process them through his department and he would process them to the purchasing department?

A. Yes.

Q. There to does the buyer have the choice where to buy these?

A. Yes.

Q. Aren't they restricted in many cases as to where they can buy certain equipment, electronic equipment and so forth?

A. Yes.

[93] Q. On Exhibit 4—do you have that?

A. No, I do not have it. If you will tell me what it is I will probably remember it.

HEARING OFFICER: He can share this.

THE WITNESS: Oh, it's the organizational chart?

HEARING OFFICER: Yes.

Q. (By Mr. Laracy) Under Mr. Muni, are all those people buyers?

A. Yes, with the exception of—he is not there, Dimiceli. I was going to say Lienert who is no longer with us.

Q. They are all buyers otherwise?

A. Yes.

Q. How about employees under Mr. Wing? What is their occupation?

A. They are buyers also.

Q. How about the employees under Mr. ——
A. Koningisor?
Q. Yes.
A. They are buyers.
Q. How about the employees under Mr. Hamann?
A. With the exception of Dimiseli, who has been transferred to an expeditor's job, the other four are buyers.
Q. I think you have already testified the employees under Mr. Kamp are expeditors?
[94] A. Yes.
Q. And the employees under Mr. Chase are expeditors?
A. That is correct.
Q. Well, the cost and price analysts, Mr. Starke and Mr. Victor are of course price analysts?
A. Right.
Q. With the exception of the two expeditors all these people are on salary; is that correct?
A. Yes.
Q. Now, Mr. Seitz, you mentioned overtime. Hourly people get paid time and a half for overtime?
A. Yes.
Q. What is the policy again for people who are on salary such as the buyers? Could you repeat that policy?
A. I'm afraid I have to defer to Industrial Relations. I know depending on the wage bracket it can run from time and a half to straight time or I am under the impression even less than straight time.
Q. If they are authorized to work they get an authorized rate?
A. Scheduled overtime. This rarely happens. It has not happened in several years that we could foresee a workload ahead of us so that we are going to need to work people Saturdays or something like that.
Q. How about Mr. Muni? Does he get time and a half?
[95] A. No.
Q. No overtime rate at all?
A. No. He is a supervisor.
Q. How about Mr. Cleveland?
A. No.
Q. No overtime rate for him?
A. No.
Q. How about yourself?

A. No.

HEARING OFFICER: What was the answer, I'm sorry?

THE WITNESS: No.

Q. (By Mr. Laracy) You mentioned that buyers spent some time away from the plant. Have you any idea of proportionally how much time they spend away from the plant?

A. It will have to be a guess. Off the top of my head I would say 10%, and it varies. This week as I indicated and last week we have six buyers on one project alone for the customer that are out of the plant. And in addition to that we have three others that are out of the plant this week.

Q. Is it possible some buyers spend most of their time in the plant and some travel more than others?

A. Some travel more than others. These are more the sub contract type.

[96] Q. Do these buyers ever go with other employees such as production control, expeditors, tool designers, process design engineers?

A. No, they do not. They travel generally with a management team. Procurement always shares these teams because procurement is responsible for sub contract vendors. The team consists of the Drector of Quality, the Chief Engineer, the Process Engineer, a Metallurgical Specialist. Whoever the buyer needs with special expertise to make up the team, he brings then along.

Q. Did you say Process Engineer? You mentioned some sort of a process.

A. Generally the supervisor of Process Engineering will go on such a trip.

Q. Would any of these members of the team that go out be members of Local 1286?

A. Not to my knowledge, no.

Q. On Exhibit 3 I see there are procurement buyers. None of these people were mentiond for—the twenty-five buyers are procurement buyers, are hey?

A. The term is synonymous. Procurement and purchasing mean the same thing there.

Q. None of these twent-five employees on Exhibit E 3 are procurement buyers?

A. They are all procurement buyers.

[97] Q. Well, on Employer's Exhibit 7, Page 3, it says procurement buyers cannot buy more than $50,000. On your other exhibit it says cannot buy more than $5,000.

A. In Exhibit 7 that is a flow down of a Textron policy that says buyers may sign commitments. This is the purchase order itself up to $50,000. Over $50,000 the next strata has to sign.

Q. I see. Over $5,000 the buyer has to go to higher authority?

A. From the internal control point that we have. Exhibit 7 is a corporate policy. The one that—Exhibit 8 is a departmental job description which controls our supervisory strata. I hope I made that clear.

Q. You mentioned a cost reduction program in your testimony. Does this cost reduction program just apply to buyers or does this apply to the whole plant?

A. The cost reduction program—I'm going to get jealous here—I initiated when I came to Bell in '62 for the Procurement Department. Since then we have generated a savings of 3% at least a year of the dollars we have spent. Since that time, going back four years, the company has initiated a total program. This is a team offensive to achieve leadership which applies cost reduction through employees suggestion to the whole plant. Anyone may participate by putting in some buyer cost reduction program [98] that becomes part of the overall company plan.

Q. The company would desire every employee to participate in this cost reduction?

A. That's right.

Q. Are there instruction sheets or catalogs issued department-wide for buyers to use as guides?

A. Yes.

Q. Would you explain that?

A. Exhibit 8 is one of them. These are departmental job instructions.

Q. Are there any others?

A. Yes, there are a number of them.

Q. Could you explain what they are, how many there are, what they do? They are guides to the buyer?

A. Yes, departmental job instructions.

Q. Is that the policy?

A. It is to interpret the company's policy or Government policy or ASPR policy telling us what we must do in compliance with our price contract under given circumstances.

Q. Could you give us one example of one set of instructions or catalog issue?

A. We call this a procurement manual. Every buyer gets one of these. It consists of special instructions, departmental job instructions. It could consist of a memo from Mr. Cleveland or myself for a given set of [99] circumstances, such as at Christmas time gratuities are verbotem, you do not take gratuities. This is the kind of thing that is in the procurement manual.

Q. Your job classification sheet indicates you would prefer your buyers to have college degrees. Approximately how many of your twenty-five buyers have college degrees?

A. I would have to guess. I know that some have. I know that others are working towards this. We encourage this in our management objective plan. We have six in the last year or two that have taken extension courses leading to a degree at U.B. or Niagara County. I'm sorry I can't answer as to how many have degrees.

Q. How many of your buyers belong to this purchasing association?

A. I will have to guess again. I know there are several.

Q. Several?

A. At least several. I don't know how many belong. They do not all go to all the meetings nor do I. But when I go to the meetings I see some of them there.

Q. Should a buyer, buyers listed on Exhibit E 3, need overtime or is required to work overtime, does he need authorization for this overtime?

A. I would have to say no.

Q. All parties in the purchasing department have the same working hours?

[100] A. Yes, except that—except the ones that are on the road. These work as required. We start at 8:30 and stop at 5:00.

Q. You mentioned something about monitoring. Would you explain monitoring again?

A. Monitoring is watching, making sure that things

happen the way you planned them when you sat down and negotiated a deal with the vendor. He wants to see that his milestones are met on time or that the lines of balance fill up as they should.

Q. Is this an exclusive job function of the buyer or do other employees outisde of the buyers participate in this monitoring?

A. I have to think about that one. It is the buyer's job to do this. I have to say that this is the buyer's province.

Q. Pardon me?

A. I would have to say this is the buyer's job.

Q. Do they ever work with expeditors in arriving at this material or at that?

A. Yes.

Q. Then they do work with other employees. Do they ever work with tool and die vendors?

A. Yes.

Q. Do they ever work with members of Local 1286 or [101] employees?

A. Oh, yes.

Q. That is in monitoring?

A. Well, the 1286 person might monitor the buyer if you will to make sure the buyer is monitoring the vendor.

HEARING OFFICER: Execuse me? You said the 1286 person might monitor the buyer?

THE WITNESS: That is a misnomer. The buyer through either EDP reports or copies of purchase orders or weekly shortage meetings or weekly review meetings will report the status of his order on given programs. 1286 takes this information and feeds it back to the program type people.

HEARING OFFICER: Members of Local 1286? Is that what you mean?

THE WITNESS: Yes.

HEARING OFFICER: Will take this information that has been provided by the buyers?

THE WITNESS: Yes.

HEARING OFFICER: And feed it back to what people?

THE WITNESS: I think it goes back to the production

control people who now post on their chart how the vendor is doing, how our shortages are coming along.

HEARING OFFICER: Do these members of 1286 sit down and are they briefed or does the buyer merely hand them [102] reports?

THE WITNESS: As I indicated, there are several ways in which this gets disseminated, either EDP reports which everyone has access to or by weekly sub contract review reports which the buyer issues or by weekly status review meetings at which it is visually gone over, a shortage list as to what the delivery is going to be. 1286 receives this information and makes it back to production control.

HEARING OFFICER: I think this might be—I'm a little confused and I'm worried about our decision writer here. When you say Local 1286 people you are referring to the people that work in what department in this contact?

THE WITNESS: Production control.

HEARING OFFICER: Production control people. They would be working under Mr. Kelly?

THE WITNESS: That's right.

HEARING OFFICER: What are some of the job titles these Local 1286 people have?

THE WITNESS: Production control schedulers and material control schedulers.

HEARING OFFICER: Material control schedulers work under Mr. Muni?

THE WITNESS: Yes. And to some extent tool liaison people have this kind of communication with the buyers.

HEARING OFFICER: Excuse me, Mr. Laracy. This might [103] be a good time to get this point clear. That the union while it represents these other employees that we refer to as Local 1286 it is at this current time in this instant petition seeking a separate unit; is that correct?

In other words, they are seeking the buyers as a separate unit?

MR. LARACY: That's right.

HEARING OFFICER: All right.

Q. (By Mr. Laracy) Take tool designers. Is it true tool designers monitor the vendors in that case?

A. Yes, I think it is.

Q. You also mentioned some fact-finding in your testi-

mony. If there is a sizeable package involved is it true that the buyers then have to go to a cost analyst for final approval?

A. The cost analyst is on the approval form and there is a place for him to agree or concur with what the buyer has presented before he goes to the next person for signature.

HEARING OFFICER: Would the cost analyst have the authority to overrule a buyer's proposal or—

THE WITNESS: No. He questions him. He asked the buyer where is the equal employment opportunity form signed by this vendor or where is the 633, which is the price break down, or something is missing on the check list, [104] where is it, or you did the arithmetic wrong and you'll have to do it again.

Q. (By Mr. Laracy) If the cost analyst found errors he could alter the buyer's thinking, right?

A. In a real far-fetched way I would say yes. He would go back to the buyer and question him on it.

MR. LARACY: That's all I have.

HEARING OFFICER: Do you have anything further, Mr. Winch?

MR. WINCH: No further questions.

CROSS-EXAMINATION

Q. (By Hearing Officer Palermo) You mentioned that tool designers might monitor a vendor. Would they monitor a vendor in the same way the buyers do?

A. No, this is kind of a unique thing. And it is probbably, with the exception that proves the rule, it is the buyer's job to monitor the vendor. Again through an overload condition where we have a big program starting up that needs a lot of tools designed and built for in-house use on the production form we will farm out, sub contract if you will, the tool design of a given number of tools.

In this case the liaison is conducted by tooling experts who guide the outside tool design outfit as to what kind of equipment the tool is going to be used on to make sure that it is being designed in a way that this [105] tool

will be useful when we get it. That is kind of a unique situation wherein the tooling people have a direct connection with the vendor.

Q. Would the tool designer also be concerned with meeting the monument date?

A. Milestone date, yes.

Q. They also do this?

A. Yes.

HEARING OFFICER: I have no further questions.

CROSS-EXAMINATION

Q. (By Mr. Laracy) In the case of machine procurement is it true an engineer in machine equipment, an employee in Local 1286, does the monitoring?

A. Which kind are you talking about? The capital equipment? The lathes or jig bores?

Q. Yes.

A. I don't believe that is true, no.

Q. The buyer does it in that case?

A. Yes.

Q. You say that is not true?

A. I don't believe so.

MR. LARACY: All right. That's all I have.

MR. WINCH: That's all.

HEARING OFFICER: All right, sir. You may step down.

[106] (Witness excused)

HEARING OFFICER: Mr. Winch, do you have any further witnesses?

MR. WINCH: Yes, I have another witness. Mr. Cleveland, please.

Whereupon,

HARRY H. CLEVELAND

was called as a witness by and on behalf of the Employer and, after having first been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

Q. (By Mr. Winch) Would you state your name, please?

A. Harry H. Cleveland.

Q. Mr. Cleveland, will you state for the record your experience in procurement?

A. Well, I have been associated with Bell for twenty-eight some odd years, and about 15% of that time I have been associated with the procurement activity.

Q. You are now the assistant director of procurement shown on Exhibit 4 of the organization chart?

A. I am.

Q. There has been some testimony but very little concerning management by objectives. Will you explain the part which the buyers play in formulating departmental [107] goals and implementing that program?

A. Well, I guess the technique of trying to manage by objective is to make sure that the performance of a department operates pretty much in compliance with the profitability of the corporation. What we have done is that we consider members of management. We have the buyers participate in establishing objectives. And these objectives as I say always are pointed towards making sure the company operates in a profitable condition.

Buyers establish these targets and measure themselves against it. This is worked in conjunction with supervision. I think the key part is we expect the buyer to participate heavily in this endeavor, which they do.

Q. What form do their suggestions take?

A. Well, they motivate themselves toward doing a better job. As far as procurement is concerned, making sure that they operate with the company in mind and cost savings. And having the company in mind they motivate themselves toward work simplification, towards professional development. They motivate themselves to making sure we eliminate as much human error as possible within the structure.

Q. So much for the general gist. Now the question. Now I want to take a specific project which I know as Minute Man. I guess it has another name?

A. PBPS, which is—

[108] Q. Would you explain what that project is?

A. Well, the Minute Man program is, I believe as we all know, is the number one deterrent in the weapons systems arsenal of the Government. We play a major part in this program, the Minute Man program. We produce what we call a post boost propulsion system. This obviously provides to a great extent the power and steerability of this particular missile.

Q. What part do the buyers play in this program?

A. We play a very significant part, a very major part. If I can relate this in terms of dollars, for probably a given year this represents in excess of $20,000,000. We buy the majority of the sub systems. That we then ship into Bell and Bell in turn makes—performs the systems interface.

Q. Do buyers participate in teams in connection with this program?

A. In a majority of instances in procurement of this nature we do have a complex procurement team set up consisting of members of management from engineering, from quality assurance, from manufacturing and from some of the other functional disciplines, finance. Generally speaking these people are supervisory type personnel.

Q. And do the buyers lead some of these teams or tell me more about the operation of them.

[109] A. Well, the buyer is the principal or chief spokesman for the sompany. He has working for him when he is on the road or when he has any contact at all with the supplier be has the role of chief spokesman. He leads the discussion. He is the negotiator in these instances.

Q. He negotiates with the vendor?

A. Yes.

Q. In conjunction with the other management members of the team?

A. Yes.

Q. What role does the buyer play in fact-finding?

A. Again the buyer is the chief responsible person to determine what area of course are related to the

particular proposal. In other words, he investigates after he reviews the proposal what inconsistencies might exist inasfar as the person understanding what is to be done. And in doing this he requires a complete knowledge or needs to have a complete knowledge of the cost element, the type of labor being used, the category of the labor, the type of material that might be appropriate to perform that particular function.

Q. Once the contract is made for the materials to be or whatever is to be procured what further responsibility does the buyer have if any?

A. After the contract is once negotiated, it is then [110] the buyer's responsibility to make sure that total performance is made against this particular contract that is negotiated. When I say "total performance", nothing is compromised. We do not compromise quality. We need 100% reliability. He has the responsibility of calling as he feels necessary the various functional such as quality engineering, such as the metallurgical lab in order to make sure that the parts are in conformance with the requirement.

Q. In making these calls does he communicate with supervision in these various departments or whom?

A. I would say generally because of the complexity of the program we are talking about, which represents a preponderance of our efforts right now, that the contact is generally made with the supervisory level.

MR. WINCH: That is the situation with respect to the Minute Man program.

Mr. Hearing Reporter, I will ask you to mark as an exhibit for the Employer this inter-office memo dated February 19th, 1970 from Mr. Seitz to Mr. Willcox. Attached to it is a list entitled Procurement Sub Contract Teams.

(The document above-referred to, was marked Employer's Exhibit 11 for identification)

Q. (By Mr. Winch) I show you, Mr. Cleveland, Employer's Exhibit No. 11 for identification and ask you to explain the [111] composition of the teams, the procurement sub contract teams, and the function that they play in the Minute Man program?

HEARING OFFICER: You might begin, sir, by explaining for the record what Exhibit 11 is.

THE WITNESS: Okay. The Exhibit 11 has to do with the establishment of a sub contract team as we know it at Bell Aerosystems.

HEARING OFFICER: And it is a memo to Mr. Willcox from Mr. Seitz? Is that correct?

THE WITNESS: That is correct, sir.

Q. (By Mr. Winch) Who is Mr. Willcox?

A. He is the Vice-President of Finance.

Q. All right.

A. I might say this is a typical example of a team setup. It does not represent the PBPS program sub contracting activity in its entirety. We place special emphasis on these four items for the simple reason they are high in dollar value and they are one of the new items that we are purchasing.

Q. What are the four items?

A. P106 Accentuator, CD24 Shell, Axial Engine, and P107 Cable Assembly. These are multi-million dollar contracts.

Q. Now, will you explain who the personnel are composing these committees and who the buyer is in each instance and [112] what function he plays?

A. The buyer is classified as a Senior Buyer under the A16 Classification, and he plays the role of team chairman. He is the one that leads the discussions. He is the direct interface with the supplier. He is the only one that can commit the company. He is the only one that the supplier listens to as far as authority is concerned.

Q. Now, take a look at the composition of the team and explain who the other members are, what their jobs are.

A. His team that represents him in certain areas of discipline. When we talk about pricing and negotiations the finance man, Mr. James Huber is the manager of the financial review.

Q. He is a member of supervision, is he?

A. Yes, he is. His job is to specifically investigate the rates as it applies to overhead, burdens and et cetera.

HEARING OFFICER: Could you explain what you mean by "rates"?

Do you mean the vendor's overhead allocation?

THE WITNESS: Right. He is structured in two ways, by what he pays to the personnel in the form of what we call "direct hour rates", and he also investigates the application of the overhead, the G and A which means General and Administrative, any sundry cost that the particular supplier has that he cannot charge directly.

[113] HEARING OFFICER: Would Mr. Huber do this by auditing the vendor's books?

THE WITNESS: Yes.

The next functional department is Quality Assurance. And on this team is Mr. Donald Spurling. He is the Director of Quality Assurance.

Incidentally, Mr. Huber and Mr. Spurling are members of the entire four teams that we have set up.

In engineering we have four different specialists representing each one of the procurements as I mentioned previously.

Q. (By Br. Winch) Who are they?

A. Generally they are systems engineers of a certain capacity. In one case the individual is the assistant chief engineer of propulsion systems.

The next area of discipline is what we refer to as Data Management, commonly referred to as soft ware support. The man there is Richard Keil. He is the manager of Data Management.

The other area is Configuration Management. And in one instance we have the manager and in all other instances we have the assistant manager.

HEARING OFFICER: What is "configuration management"?

THE WITNESS: Configuration management is making sure [114] that the configuration of the end product being sub contracted does not change from generation to generation or from article to another. In understanding the aerospace procurement, we are the prime contractors. We understand the entire system and what they are supposed to perform. We delegate to the sub contractor

only that authority that pertains to particular items being sub contracted. In some instances what he feels may be a mediocre sort of change can abort the entire system. So, we have absolute figure control.

We have found that if a man indiscriminantly used a different solvent than what we had previously he could contaminate the whole system, even though he that would have no adverse effect.

There is a lot of management included with these programs for unquestionable reliability. The next department is what we refer to as Program Management. It is called Program Office here. These people generally are the interface with the customer. They are a part of this team, and in all occasions the three individuals are contract managers. They have the title of sub contract management.

In manufacturing engineering these are the ones that assist us in making sure that the productivity of the vendor is at a maximum. And in all cases these people [115] are members of the manufacturing engineering department as opposed to straight manufacturing.

Q. (By Mr. Winch) Would those men be supervisors also?

A. I think they are referred to as group leaders. I know two of them are. I don't know about Mr. Henneberger.

Q. And in each instance the head of the committee is the buyer I understand?

A. Yes, he is what we refer to as the chairman. He is the catalyst that puts the entire thing together.

MR. WINCH: I offer Employer's Exhibit 11 into evidence.

HEARING OFFICER: Mr. Laracy, any objection?

MR. LARACY: No objection.

HEARING OFFICER: It is received into evidence.

(The document above-referred to, heretofore marked Employer's Exhibit 11, was received into evidence)

HEARING OFFICER: Mr. Cleveland, you mentioned —I am sorry, Mr. Winch. Are you finished?

MR. WINCH: I haven't but go ahead.

HEARING OFFICER: With respect to this?

MR. WINCH: Yes.

HEARING OFFICER: You mentioned that the buyer was the spokesman for those teams?

THE WITNESS: Yes.

[116] HEARING OFFICER: Yet under Mr. Huber I notice in parenthesis is written "Chief Negotiator". What does Chief Negotiator under Mr. Huber's name on Employer's Exhibit 11 mean?

THE WITNESS: These particular areas and only these four particular areas we have a dual setup in which Mr. Huber performed more than just the cost analyst sort of work. He actually participated in the discussions relevant to price.

HEARING OFFICER: Okay, fine. Mr. Winch?

Q. (By Mr. Winch) This Minute Man program is how substantial a part of the company's business?

A. It represents about 70% of our present sales.

Q. Do the buyers play a somewhat similar part in the conduct of other programs, other projects?

A. Yes.

MR. WINCH: That's all for me.

HEARING OFFICER: I'm sure it's in the record, but what does PBPS mean?

THE WITNESS: PBPS, Post Boost Propulsion System.

HEARING OFFICER: That refers to the Minute Man project?

THE WITNESS: That is a part of it. It provides the steerability of the missile itself.

HEARING OFFICER: Fine. Mr. Laracy?

[117] MR. LARACY: Yes.

CROSS-EXAMINATION

Q. (By Mr. Laracy) This management by objectivity, is that confined to the Purchasing Department?

A. Yes, sir—I'm sorry. Management by objective, the program we have is confined to purchasing. Management does have a management by objective program for managerial personnel. We have reduced this now to the buyer level.

Q. You have one for the Purchasing Department?

A. Yes.

Q. Do other departments have similar programs for their own department? In other words, production control or project engineering and so forth?

A. Not to my knowledge, not a formal one like the one we have.

Q. Now, if you were going to buy a sub system for this Minute Man program who initiates the requisition for such a system?

A. The requisition is initiated by the material control group.

Q. Material control?

A. Yes, sir?

Q. Would these be members of Local 1286 that initiate these requisitions?

A. Yes, sir. I would like to qualify this. The [118] requisition that they initiated just by a line item. It does not necessarily give the complexity of the purchase order itself as far as terms and conditions and related things.

HEARING OFFICER: Explain what a "line item" is.

THE WITNESS: We would get instructions from material control that would in effect say by X number of pieces of a particular sub system. And they would give us the drawing us the drawing number, if you will, and then we will—

HEARING OFFICER: You mean the blueprint number?

THE WITNESS Yes, sir, and some of the other related documentation. Then we have to take this and break it down as we understand it in the form of what we really want to buy, you know, to what extent we want to purchase this item. And we have to take and convert this into a workable request for quotation or a request for proposal.

The similarity between the purchase order document and the purchase requisition is of a great magnitude. In other words, if I could describe it in the number of pages I would say I would get a single line item on a requisition and by the time the purchase order gets out it would probably be a fifteen-page document.

HEARING OFFICER: Continue.

Q. (By Mr. Laracy) When you say "we", who are you referring to?

[119] A. I guess the procurement department.

Q. Yourself, Mr. Seitz, the buyers?

A. Well, I feel that the buyer maintains, again, as a member of management, wide latitude in the preparation of all of his supporting information. As a matter of fact, he actually is the one who prepares it and gives it to us for review. I depend heavily on the buyer to make sure he is the one that prepares the document. He is the one that is going to negotiate. He is the one that is going to make sure the program is managed properly.

We expect this particular individual to be knowledgeable of the entire contract.

Q. After he prepares it do you review it with him?

A. At structure or as indicated in the strata if it is over $5,000 we review it.

Q. You have four buyers assigned to this project?

A. This particular item that we are talking about. This sheet here, that's for buyers. As I indicated earlier this is only a portion of the PBPS program. We buy many more complex parts than what is listed on this exhibit or this exhibit.

Q. The four buyers involved are Mr. Pearson, Mr. Pfeil, Mr. Morris and Mr. O'Bresly?

A. Yes, sir.

[120] Q. Are they Senior Buyers?

A. Yes, sir.

Q. As listed on Company's Exhibit E 3. In Exhibit E 11 the first item, which is P106 accentuator, what is Mr. Huber's function?

A. Well, as I indicated to Mr. Palermo, his function is to explore the cost elements that are associated with this procurement. Generally speaking his area is confined to looking at the rates, the actual rates that are paid the various employees, the various overhead rates, the general and administrative rates, and areas of this type.

But because of the complexity in dollars, if you will, of this particular procurement, since I indicated earlier

it is a multi-million dollar package that we are talking about, he participated with the buyer.

Q. He is the Chief Negotiator in dealing with the vendor?

A. In these particular cases.

Q. What is the chairman's title? What is the chairman's function?

A. Well, the chairman participated—he is the official spokesman for the company. In other words, only procurement can commit. Obviously since only procurement can commit his are the instructions the vendor listens to. The chairman is the official individual as far as company [121] management or Bell Aerosystems management representative.

Q. He commits only upon the recommendation of the committee?

A. I guess if we get total agreement to commit, yes.

Q. But he cannot commit over $5,000?

A. I guess I have to take you back to what we have established as the negotiating objective. What we do prior to our actual physical contract with the vendor, before the start of negotiation we have what we call pre-negotiations. This is done on a team concept in which if it is over $5,000 he has other members of procurement in there. So, what we do, if we are all in complete concurrence with the negotiation objective, then the buyer actually carries the ball from there on in. In other words, the vendor himself doesn't know whether the buyer can or cannot commit up to $5,000. He has final word as far as the vendor is concerned. It is only an internal mechanism that we have here that the buyer is more than—the seller is more than likely unaware of.

Q. I have here a letter dated February 12th, signed by you. I would like you to look at it and maybe explain this. I will produce it as evidence. I do not have extra copies. This will be Petitioner's Exhibit No. 1.

[122] (The document above-referred to, was marked Petitioner's Exhibit No. 1 for identification)

Q. (By Mr. Laracy) Would you identify that letter, Mr. Cleveland?

A. Sure. This is a memorandum that I issued and approved by Mr. Seitz to all buyers. And this is dated February 12th, 1970. The reference or the title is that compliance with DJI 121-300 is mandatory. It pretty much establishes I guess what I indicated earlier as far as a pre-negotiated position in which we want the buyers to be sure if they were going to represent the company on these items over $5,000 that they had our concurrence.

Q. Could you read the rest of the letter? It is a short letter.

A. I guess I better start over again. "Compliance with the reference DJ1 is mandatory. Negotiations, under no circumstances, are to be conducted until a pre-negotiation position is established and reviewed with cognizant procurement management. In addition, effective immediately, all procurement negotiations that fall within the criteria as set forth in the reference DJ1 will be conducted in procurement conference room 1000. In the event of a conflict Miss Jeanne O'Neill will arrange for a suitable alternative.

[123] HEARING OFFICER: What is DJI?

THE WITNESS: Departmental Job Instruction.

Q. (By Mr. Laracy) These were issued to all buyers?

A. Yes. As a matter of record, DJI 121-300 is a matter of record.

MR. LARACY: I don't have a copy of that letter so I will have copies made.

HEARING OFFICER: Off the record.

(Discussion off the record)

HEARING OFFICER: On the record.

Q. (By Mr. Laracy) Mr. Spurling, what is his title?

A. Director of Quality Assurance.

Q. What is his function in these negotiations?

A. To maintain visibility with regard to the quality of the product being purchased.

Q. Mr. Fredericks, what is his title?

A. Mr. Fredericks is—I don't know exactly what his title is but I know he is with engineering, and he is more than likely referred to as a systems engineer.

Q. And Mr. Kil, what is his title?

A. He is manager of data management.

Q. Mr. Kielbasa?

A. Mr. Kielbasa is assistant manager of configuration management.

Q. And Mr. Morgante?

[124] A. Mr. Morgante is program manager. This specific duty relates to the sub contracting portion of the program.

Q. Is it true, Mr. Cleveland, contracts over $50,000 must have Mr. Huber's approval?

A. Yes, sir. He acts in advisement for the Vice-President of Finance, Mr. Willcox.

MR. LARACY: That's all I have?

HEARING OFFICER: Mr. Winch.

MR. WINCH: Yes.

Will the Hearing Reporter please mark this Exhibit for identification?

(The document above-referred to was marked Employer's Exhibit 12 for identification)

REDIRECT EXAMINATION

Q. (By Mr. Winch) The Union's Exhibit E 1 refers to DJI, Departmental Job Instruction, No. 121-300. Is Employer's Exhibit 12 for identification the particular document referred to as DJI 121-300?

A. Yes, sir.

Q. Now, we also have in evidence Exhibit 8 which is DJI 121-304. Will you explain the difference between those two exhibits?

A. The memorandum that the union introduced as their exhibit referred to BAPP 121-300 entitled "Preparation For [125] Initiation Of a Sub Contract". The particular memorandum that I prepared with Mr. Seitz' approval is applicable to this DJI.

I might just read the scope of this DJI. It says: "Application of this DJI is mandatory on all procurement anticipated to exceed $50,000." Mr. Winch asked for an explanation of 121-300 and 121-304.

Q. And does this, Employer's Exhibit 12, explain the procedure and responsibility of the buyer?

A. I think in order to get a thorough understanding of it you have to refer to both of them, 121-304 and 121-300. For instance the title on 121-304 is called "Signatory Approval Commitment Authority Request". This Item delineates the stratification of signatory authorization requirements that the buyer operates within.

Q. I refer you to Page 2 of Employer's Exhibit 12 for identification and ask you to read into the record Paragraph No. 7 under Roman Numeral III, the procedure and responsibility.

A. "Roman Numeral III Procedure and Responsibility, Item 7, as Chairman, conduct negotiations with the potential sub contractor, in consonance with information and decisions rendered under foregoing items of procedure. In addition, the cognizant supervisor will participate in all significant sub contract negotiation sessions within the scope of [126] this DJI. When deemed necessary, the purchasing agent and/or the Assistant Director of Procurement will also participate."

Q. Then will you also read Paragraph 9 under 3?

A. Under Roman Numeral III, Item 9, again referring to and directing itself to the buyer, it says: "Issue a definitized purchase order or sub contract based on the results of the foregoing negotiations."

MR. WINCH: I offer Exhibit 12 for identification into evidence.

HEARING OFFICER: Mr. Laracy, any objection?

MR. LARACY: I haven't seen it yet but I don't think I will.

HEARING OFFICER: I'm sorry.

MR. WINCH: I'm sorry. That time I missed you.

MR. LARACY: No objection.

HEARING OFFICER: Employer's Exhibit 12 is received into evidence.

(The document above-referred to, heretofore marked Employer's Exhibit No. 12, was received in evidence)

MR. WINCH: You may ask. I have no further questions.

HEARING OFFICER: Mr. Laracy?

MR. LARACY: No. That's all I have.

HEARING OFFICER: Thank you very much, Mr. Cleveland.

[127] (Witness excused)

HEARING OFFICER: We are going to call a five-minute recess here to let the—among other things, so you can make a copy of Petitioner's 1.

MR. LARACY: I was going to say I doubt if we will finish. What time are you people prepared to stay until?

HEARING OFFICER: Off the record.

(Short recess taken)

HEARING OFFICER: On the record.

MR. LARACY: I would like to have the record show that this adjournment was granted solely for the purpose of giving the union an opportunity to produce evidence that the buyers are not managerial employees and for no other purpose.

HEARING OFFICER: I don't know what you are doing. Are you making a motion?

MR. WINCH: I will. I understand that this is what you told the union and I wanted the record to show it.

MR. LARACY: If I should stumble on or discover any other evidence you can rest assured we will present it. We will not be confined to any such stipulation as that. That is our intention. However, if we find more evidence we will present it, and I'm sure if you find more you will present it and I could not object.

HEARING OFFICER: To that end, Mr. Winch, this is [128] non-adversary proceeding. Our sole purpose here is to develop a complete record so that the Regional Director may make an intelligent decision with respect to the petition. Therefore I dont' see how I could possibly expect to hold the union to such a stipualtion.

MR. WINCH: In that case, if the union agrees—if the union intends to bring in other evidence, in view of the fact the sole issue appears to be as to whether or not the buyers are managerial employees, I will request the union to notify us so that we will not be taken by surprise.

MR. LARACY: Let me ask you this. In my presentation next week how would you know what evidence I would propose or what evidence I wouldn't? Do you want me to tell you this is what I am presenting this week or this is what I won't?

MR. WINCH: I want to know what charge you will have. You are the one that petitioned. We came in and proved our case for you and the evidence is in the record for the Regional Director.

MR. LARACY: We'll present our case next week.

MR. WINCH: If you have another issue, will you advise me prior to the hearing, please?

MR. LARACY: Our position is the same, that these buyers are members of the Act and that we want an appropriate unit. As of now that is my position. [129] Evidence may be introduced that may make me change my mind. Right now my position is the same as it was this morning, that these people are employees under the Act and that an appropriate unit consists of all buyers, twenty-five of them.

MR. WINCH: I will say that if the union attempts to introduce evidence for any purpose other than to prove that the buyers are not managerial employees, we will not be ready to proceed. We will ask for an adjournment and expect to have it granted.

HEARING OFFICER: Let's go off the record for a moment.

(Discussion off the record)

HEARING OFFICER: Back on the record.

During an off-the-record discussion it was agreed that the hearing will be postponed until September 3rd at 10:00 o'clock in the morning.

MR. WINCH: We did not agree with that. The Hearing Officer ruled that.

HEARING OFFICER: All right. Let's say the Hearing Officer ruled the hearing will be adjourned until September 3rd at 10:00 o'clock in the morning in the same hearing room at the Buffalo Regional Office. At that time the Hearing Officer will be prepared to hear any and all relevant testimony which may be presented by the parties.

[130] The hearing is now adjourned until September 3rd at 10:00 o'clock.

(Whereupon, at 4:25 o'clock, p.m., the hearing in the above-entitled matter adjourned, to reconvene Thursday, September 3rd, at 10:00 o'clock, a.m.)

* * * *

[133] PROCEEDINGS

HEARING OFFICER PALERMO: On the record. Prior to reconvening this second part of our hearing, the Employer indicated there were certain corrections that he wanted to make in the transcript of the last session of this hearing. So, Mr. Winch, would you please restate for the record at this time what corrections you would like to have made?

MR. WINCH: Yes.

At Page 11 of the record a reference is made to the fact, and I quote: "Mr. Hurst being an Executive Vice-President reports to the Secretary of the Company, Mr. William Gisel." Mr. Gisel is the President of the Company. The word "Secretary" should be "President". I move to amend the record so as to make the word "President" instead of "Secretary."

HEARING OFFICER: Mr. Laracy?

MR. LARACY: No objection.

HEARING OFFICER: Hearing no objection, the amendment is allowed.

MR. WINCH: The next one is on Page 60 where in Line 20 the question is "Would you determine from whom he would solicit this, regardless of the cost, even if it were more than $5,000?" The second word "you" should be "he." I move to have the word "you" changed to "he".

HEARING OFFICER: The word "he" referring to a buyer?

[134] MR. WINCH: Correct.

HEARING OFFICER: Mr. Laracy?

MR. LARACY: No objection.

HEARING OFFICER: Hearing no objection that correction is also admitted.

MR. WINCH: At Page 96 of the record there is an

answer starting at . . . I will call it Line 4: "No, they do not. They travel generally with a management team. Procurement always shares these teams. . . ." The word "shares", s-h-a-r-e-s, should be "chairs", c-h-a-i-r-s. I move to correct the record to make the spelling correct.

HEARING OFFICER: Mr. Laracy, do you have any objection?

MR. LARACY: No objection.

HEARING OFFICER: Hearing no objection, that is permitted.

MR. WINCH: Then on Page 114 of the record in Line 39—well, let's start at Line 11. "We have found that if a man indiscrimanantly used a different solvent than what we had previously he could contaminate the whole system, even though he. . . ." The word "thought" should be inserted at that point, "even though he thought that would have no adverse effect." Imove to amend the record to insert the word "thought" between the words, "he" and "that" in the quoted sentence?

[135] HEARING OFFICER: Mr. Laracy?

MR. LARACY: No objection.

HEARING OFFICER: Hearing no objection, that is permitted.

MR. WINCH: Thank you.

HEARING OFFICER: Mr. Winch, also before we went on the record, you indicated that you wanted to amend the company's position with respect to the instant petition?

MR. WINCH: Yes.

In reading the record I find at Pages 102 and 103 starting at the very bottom of the page, the following exchange: "HEARING OFFICER: Excuse me, Mr. Laracy. This might be a good time to get this point clear. That the union while it represents these other employees that we refer to as Local 1286 it is at this current time in this instant petition seeking a separate unit; is that correct?

"In other words, they are seeking the buyers as a separate unit?

"MR. LARACY: That's right."

Now, in view of that the Company withdraws the objection that it has made to community of interest. Com-

munity of interest no longer applies when you are talking about a separate unit of buyers. So, the Company's position in that respect is different than it was at the conclusion [136] of the hearing last Friday.

HEARING OFFICER: Then if I understand your position correctly, Mr. Winch, it is now the Company's position that the unit now is not appropriate because the buyers being sought in this petition are managerial employees and they are excluded?

MR. WINCH: That is correct. As far as I am aware that is the only issue before the Board.

HEARING OFFICER: Okay, fine, very good.

Mr. Laracy, I believe when we left off the last time it was your turn to start introducing witnesses?

MR. LARACY: Right. I would like to call Mr. Miranda to the stand.

Whereupon,

JOHN R. MIRANDA

was called as a witness by and on behalf of the petitioner and, having first been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

Q. (By Mr. Laracy) Mr. Miranda, would you give your name and occupation?

A. John R. Miranda. I am a Class 3 Tool Designer at Bell Aerospace.

Q. How long have you been employed at Bell Aerospace?

A. Since 1942.

[137] Q. And what is your occupation now?

A. Class 3 Tool Designer.

Q. How long have you held this occupation?

A. Some 20 years, I guess.

Q. Are you active in union affairs at your plant?

A. Yes, sir, I am.

Q. What is your union title right now?

A. I am President of the Amalgamated Local 1286 and President of the "PETA" unit.

Q. Could you fill-out the initials there?

A. Production Engineering Technical Association is the unit.

Q. Will you give the background of your union activities?

A. Since around 1950 I have been a steward, I have been a committeeman, I have been a Vice-President and President. I have served in all of the chairs so to speak of our structure.

Q. How many years have you been President now?

A. I believe it's about nine or ten years.

Q. Are you President of the four units there, the four units established there?

A. I am the Local Amalgamated President now, sir.

Q. Could you describe the different units and also the bargaining history there briefly?

A. We have four units. We have a production and material [138] control unit. They are production control men. We have an estimator's unit. We have a loft unit, and we have the production engineering technical association, which is the unit that I am in.

We have several classifications in the production engineering technical association. We have tool designers, production planners, tool expeditors. We have liaison men.

Q. Approximately how many are in that unit now?

A. In our unit?

Q. Yes.

A. Oh, there are approximately forty-five people in our particular unit.

Q. How about the mold loft?

A. Mold loft, there are two at this time, two people in the mold loft unit.

Q. How about production engineering material control?

A. There are some forty-five. And in the estimator's unit there are some twenty-seven or eight, I believe.

Q. How do you bargain for these groups? Is there collective bargaining or does each unit bargain for their own group?

A. We have collective bargaining. The four units meet in the same room.

Q. At the same table?

A. Yes.

[139] Q. Each unit has its own representation?

A. Yes, sir. We have four separate contracts. Each contract provides for its own bargaining committee.

Q. Each unit ratifies its own contract?

A. Yes, sir, they do.

MR. LARACY: At this time it may be appropriate to introduce the contracts for each group along with a supplement signed June 26th. It is the financial supplement I understand.

So, maybe for the record, Mr. Miranda, can you identify this contract?

Mr. Hearing Officer, this will be Petitioner's Exhibit No. 2.

(The document above-referred to, was marked Petitioner's Exhibit No. 2 for identification)

THE WITNESS: Yes. This is the common letter that each President got in reference to the economic adjustments to the last contract.

Q. (By Mr. Laracy) What is the date of that?

A. The date here is June 26th, 1970. And these are the contracts that were updated for the latest negotiation. They were dated July 1st, 1967 to July 5th, 1970. These are the four contracts that comprise Local 1286.

HEARING OFFICER: Excuse me. Let's go off the record.

[140] (Discussion off the record)

HEARING OFFICER: On the record.

MR. LARACY: This one will be marked Petitioner's Exhibit No. 3.

(The document above-referred to, was marked Petitioner's Exhibit No. 3 for identification)

MR. LARACY: This will be Petitioner's Exhibit No. 4.

(The document above-referred to, was marked Petitioner's Exhibit No. 4 for identification)

MR. LARACY: This will be Petitioner's 5.

(The document above-referred to, was marked Petitioner's Exhibit No. 5 for identification)

MR. LARACY: And this will be Petitioner's Exhibit No. 6.

(The document above-referred to, was marked Petitioner's Exhibit No. 6 for identification)

HEARING OFFICER: Could you identify Petitioner's Exhibit No. 3, Mr. Miranda?

THE WITNESS: Yes. This is the contract that the Production Control Office and Material Control Office unit has been working under. It has been recently updated for the latest negotiations.

Q. (By Mr. Laracy) Could you identify Petitioner's Exhibit No. 4?

A. 4 is the contract that describes the agreement of the [141] Estimator's Unit.

HEARING OFFICER: Off the record for a minute.

(Discussion off the record)

HEARING OFFICER: On the record.

Go ahead, Mr. Miranda.

THE WITNESS: Exhibit No. 5 is the contract of the Mold Loft Unit, and Exhibit No. 6 is the contract of the Production Engineering Technical Association Unit.

HEARING OFFICER: Now, so that the record is clear, Petitioner's Exhibit No. 2 is the letter, is that correct, that was sent to the President of these four separate units dated June 26th, 1970?

THE WITNESS: Yes, sir.

HEARING OFFICER: And while we were off the record we decided each of the four contracts that were introduced would be given a separate number. So, we have therefore Petitioner's Exhibits 2 through 6 that have just been introduced?

THE WITNESS: Yes.

HEARING OFFICER: All right.

Q. (By Mr. Laracy) Mr. Miranda, I notice in each one of these contracts each unit has its own President?

A. That is right.

Q. Each group elects its own President?

A. Yes, sir.

[142] Q. Are you the overall President of the four unit?

A. I am.

Q. The four units elected you?

A. Yes.

Q. Now, Mr. Miranda, are you familiar with the buyers that we have been petitioning for in this proceeding?

A. I am.

Q. Have you worked with the buyers?

A. I have on occasions personally worked with some of them. And I do know of our relationship, the relationship of our employees in our unit. I know of the relationship they have commonly with the buyers.

Q. You petitioned for Local 1286 for the buyers?

A. Yes.

Q. It is your understanding that the buyers will—if the Board decides they are an appropriate unit they will be in a unit within your local; is that right?

A. That's right, sir.

Q. Mr. Miranda, I would like to show you the buyer's job description. I know you are probably familiar with it. Would you look at it and familiarize yourself with it since this is Company's Exhibit E 5 and 6?

A. As far as I know these are the current job descriptions of Buyer Class 2 and Buyer Senior, yes.

Q. In your opinion do they fairly describe the duties [143] as they are being performed by the buyers now?

A. I am not totally familiar with the intricacies of these classifications, but they do read like I understand them. And I think they are descriptive of the jobs.

Q. With your years experience and as President of the Local here are you familiar with the National Labor Relations Boards definition of Clerical, Technical, Professional employees, Supervisors and so forth?

A. I would say I was familiar with it. I am no authority on it, naturally. I read it several times. There is always some mystery attached to it.

Q. Would you classify these buyers as supervisors or managerial?

A. No, I would not.

MR. WINCH: I object to it as calling for a conclusion which the witness cannot make. He cannot make that judgment on his own.

MR. LARACY: The witness has been active for years in Board proceedings. He petitioned for them. He works with them.

HEARING OFFICER: That's true. However, I will sustain Mr. Winch's objection on the grounds that in my opinion it is calling for a conclusion of the witness. However, if you would like to develop this, you know, through different questions, you may be free to do so.

[144] Q. (By Mr. Laracy) In your opinion, can the buyers formulate, determine or effectuate the employer's policy?

MR. WINCH: I object to that on the same grounds.

HEARING OFFICER: Mr. Winch, I will agree that the questions calls for a conclusion on the part of the witness. I am going to allow the witness to answer that. I am hopeful that he will be able to develop additional testimony to explain why he feels that way. And of course you have an automatic exception.

MR. WINCH: Thank you. I will take my automatic exception to this line of questioning.

THE WITNESS: I would say the answer to that question would be no. The reason I say no is because by comparison to the duties that we have and the personnel in our units, I would say if they are managerial employees we would certainly have to be managerial employees. We are not managerial employees. We make decisions. We have more latitude in making our decisions. We make them solely on our own judgment. If this is the basis by which you determine managerial employees, as far as I know buyers are not managerial employees.

Q. (By Mr. Laracy) Do buyers conform to the employer's set policies and set procedures?

A. Yes, they do.

HEARING OFFICER: Excuse me, Mr. Laracy. I do not mean [145] to interrupt your line of questions, but is it your intention to also develop by the witness—

MR. LARACY: We are going to get into details on Mr. Miranda and his people's contact with the buyers.

HEARING OFFICER: For example, the Hearing Officer would be interested in knowing, you know, why he feels that the buyers, you know, do not exercise wide autonomy.

MR. LARACY: We intend to get into that by putting in further evidence to show its context. These purchases are made through his department and the buyers are in between. We are going to produce—going to introduce evidence on this in a few minutes.

Q. (By Mr. Laracy) Does the Bell Aerospace Company have any manufacturing establishment in Texas?

A. Yes, they do.

Q. Do you have contact with that local union?

A. I do with a couple of fellows that are officers in Local 317, Lloyd Cox, who is President, and Delbert Alan, who is Committeeman.

Q. How do you contact these people? What manner are these contacts?

A. We have occasions at least twice a year to meet at conventions of the UAW. And then I have called the President Lloyd Cox for information that would be helpful to our negotiations and such as that. I don't know the frequency [146] of it but I imagine I call him maybe every second or third month. We have occasions to check notes to find out what is working and what is not so we can get the benefit of their experience.

Q. Do you have personal contacts?

A. We have personal contacts and meet at UAW meetings or UAW pre-negotiation committees.

Q. Do you exchange information?

A. Yes, we do.

HEARING OFFICER: Off the record.

(Discussion off the record)

HEARING OFFICER: On the record.

MR. LARACY: I would like to introduce Petitioner's Exhibits 2 through 6 into evidence.

HEARING OFFICER: Any objection?

MR. WINCH: No, no objection.

HEARING OFFICER: The exhibits, Petitioner's Exhibits 2 through 6, are received into evidence.

(The documents above-referred to, heretofore marked Petitioner's Exhibits 2 through 6 inclusive, were received into evidence)

MR. LARACY: I am going to mark this Petitioner's Exhibit 7.

(The document above-referred to, was marked Petitioner's Exhibit No. 7 for identification)

Q. (By Mr. Laracy) Mr. Miranda, would you identify this [147] agreement?

A. That's Local 317 in Texas. It is their contract.

MR. WINCH: Now, if the Hearing Officer please, I object to any evidence concerning a contract between the helicopter company in Texas as being utterly irrelevant to this proceeding. He might go on to Ford Motor Company and many other companies. We are talking about the situation of the managerial buyers or the buyers as managerial employees in this plant.

We have given the facts affecting them in this company. And the facts—yes, Helicopter is an autonomous company. They operate separately. There is no connection. If there ever comes a time when there is a contract between the Bell Helicopter Company Division and this company, the Employer who is in this proceeding, it is on a competitive basis. They operate as entirely separate and autonomous companies under different managements entirely. The conditions are entirely different. There is no relevance between what's happening in Texas and what's happening in the Town of Wheatfield.

MR. LARACY: They are all a part of generally the same Textron Team. The UAW has a contract at both manufacturing areas. From what I can get out of here, this group up here, Bell Aerospace up here, manufactures parts for that company down there, for that division. [148] We negotiate with them.

What we propose to show is they have negotiated contracts with the UAW in which they have buyers included. I propose to introduce a write-up of buyers down there

to show they are similar to buyers up here. I think we have the right to get that on the record so the Regional Director will have that available for his information.

MR. WINCH: As a matter of fact, I want it to appear that this question has never been raised in Texas and the conditions are entirely different. Here it may be that Local 1286 should not be a union. It may be that they are managerial employees. We are not raising that as a question. But whether or not they are represented by the union, we have no objection to that. But what is happening in Texas and what happened in Texas has no relevancy here.

There was never any election in Texas. What was done there was done through some of the parties. Here we are taking a definite position the buyers in the Wheafield plant are managerial. Down in Texas I don't know what they are.

HEARING OFFICER: I am goinng to take a recess here for just a few moments. I want to check some things out before I rule on that objection. So, we will recess for maybe about—

MR. LARACY: I might add here, my memory might be [149] vague but if I remember there was a strike conducted here and in Texas at the same time. And when the agreement was reached, it was reached by both parties, the same people. The same international representative was in on both negotiations and there was a definite tie-up.

Whether the Company consented or not, these people were part of the unit. For whatever reason I don't know. Was there a consent election or just a consent?

MR. WINCH: There was a consent election.

HEARING OFFICER: There was a consent election in Texas?

MR. WINCH: Yes:

HEARING OFFICER: Let me take this opportunity to check on some facts here. We will adjourn for about five minutes.

(Short recess taken)

With respect to Mr. Winch's objection, I am going to allow this testimony. If it is irrelevant of course or if it

does not relate to the matter at hand the decision writer and Regional Director can make the decision at that time. In the interest of trying to develop a thorough and complete record I am going to allow this testimony. Again you have an automatic exception.

MR. WINCH: In this instance, if the Hearing Officer please, I consider this so important that I would like to develop the facts a little more fully. I would like [150] to swear Mr. Wacks, the Vice-President of the company to establish there is no connection between the two companies.

I assume you have talked with the Regional Director or some other officer of the Regional Board. I would like to have them present to hear Mr. Wack's testimony because I think your decision is wrong. I want to have the facts fully before you because I think maybe we can satisfy you that you should make the contrary decision. May I put Mr. Wacks on?

HEARING OFFICER: Mr. Winch, you will have every opportunity to recall Mr. Wacks to establish the points that you have indicated through his sworn testimony.

Again, you will be able to, you know, you'll be afforded every opportunity to present your side fully and completely. However, I will not permit you to at this time call Mr. Wacks.

I will also let the Regional Director make the decision as to whether or not this testimony is germane when he reviews the record.

MR. WINCH: Of course it is a cardinal rule of evidence before this Board or before the Courts that evidence should be considered only if it is relevant.

HEARING OFFICER: I am aware of that, Mr. Winch. I know you are also aware of the fact this is a non-adversary [151] proceeding where we try to follow the rules of evidence as closely as possible. We do not follow them as strictly as we would in a Court of Law.

MR. WINCH: That remains only for me to review my objection and take the automatic exception to it.

HEARING OFFICER: Okay, fine.

Mr. Laracy, you may proceed.

Q. (By Mr. Laracy) Mr. Miranda, would you just identify that agreement I just handed you?

A. This agreement is the agreement between Local 317 UAW down in Texas.

HEARING OFFICER: Has that been marked for identification?

MR. LARACY: At this time I would like to mark that and introduce it in evidence as Petitioner's Exhibit No. 7.

(The document above-referred to, was marked Petitioner's Exhibit No. 7 for identification)

Q. (By Mr. Laracy) Who comprises that unit, Mr. Miranda?

A. It is made up of many classifications, among which are inspectors, illustrators, accountants, cost analysts, quality control sort of people.

Q. Would you say that is an office clerical and technical unit?

A. I would say it is a combination of that, yes.

[152] Q. Are buyers included in that agreement?

A. Yes, sir.

Q. Would you point out the page number?

A. On page 79 of this agreement the buyers are so listed.

Q. Could you give us the official title of buyers?

A. Well, the official title seems to be just plain "Buyers".

Q. Is there another title?

A. There is "Assistant Buyer."

Q. So, there is Buyer and Assistant Buyer?

A. Evidently by this contract there is, yes.

HEARING OFFICER: Do you know how many buyers are in that unit?

THE WITNESS: No, I do not, sir.

Q. (By Mr. Laracy) Mr. Miranda, would you identify this job specification for us?

A. This job specification is the Buyer Classification that was supplied to me by President Lloyd Cox of Texas Local 317.

MR. LARACY: This will be Petitioner's Exhibit No. 8.

(The document above-referred to, was marked Petitioner's Exhibit No. 8 for identification)

Q. (By Mr. Laracy) is that a job description for buyers?

A. Yes, it is, sir.

[153] Q. Is it similar to the job occupation or job write-up we have for the buyers up here at Bell Aerospace in Buffalo?

MR. WINCH: I object on the grounds it is calling for a conclusion.

THE WITNESS: I would say it is almost identical.

MR. WINCH: It calls for a conclusion. The paper will speak for itself.

HEARING OFFICER: Sustained. The document speaks for itself.

MR. LARACY: We would like at this time to introduce Petitioner's Exhibit 8.

MR. WINCH: Objection. It is entirely irrelevant.

HEARING OFFICER: I will overrule the objection and receive Petitioner's Exhibit 8 into evidence.

(The document above-referred to, heretofore marked Petitioner's Exhibit No. 8, was received into evidence)

MR. SCHMIT: Would you identify that, Mr. Hearing Officer?

HEARING OFFICER: Petitioner's Exhibit No. 8, is entitled "Job Specification for the Job Title Buyer, Job Code 063, Labor Grade A13, Dated 2-20-56."

MR. WINCH: I do not want Mr. Laracy to overlook anything. He has not offered Exhibit No. 7 into evidence yet.

[154] MR. LARACY: Thank you. I would like at this time to introduce Petitioner's Exhibits 7 and 8 into evidence.

MR. WINCH: I object to both exhibits as being irrelevant.

HEARING OFFICER: I believe Employer's Exhibit 8 has already been admitted into evidence. I will over-

rule your objection and receive Petitioner's Exhibits—Petitioner's Exhibit No. 7.

(The document above-referred to, heretofore marked Petitioner's Exhibit No. 7, was received into evidence)

MR. LARACY: I will mark this Petitioner's Exhibit No. 9 for identification.

(The document above-referred to was marked Petitioner's Exhibit No. 9 for identification)

Q. (By Mr. Laracy) Mr. Miranda, would you identify this piece of paper for us please?

A. These are the labor grades and rate ranges as supplied by President Lloyd Cox in Texas of the jobs that they cover by this agreement.

Q. Under the Job Classification Buyer—Job Specification Buyer, for Local 317, they have it marked as Labor Grade A 13?

A. That's right.

Q. Would you give us the dollar per week range?

[155] A. A 13 wage range in dollars per week go from $203.20 to $272.60.

HEARING OFFICER: May I see that?

THE WITNESS: Yes.

HEARING OFFICER: You are offering this as Petitioner's Exhibit No. 9?

MR. LARACY: Yes. At this time I would like to offer it as Petitioner's Exhibit No. 9.

MR. WINCH: I object again on the grounds it's entirely irrelevant.

HEARING OFFICER: Your objection is overruled and Petitioner's Exhibit No. 9 is admitted into evidence.

(The document above-referred to, heretofore marked Petitioner's Exhibit No. 9, was received into evidence)

Q. (By Mr. Laracy) Mr. Miranda, what is your job title at Bell Aerospace?

A. I am a Class 3 Tool Designer.

Q. What is your official title? Class 3 Tool Designer?

A. I believe so.

Q. Do you have any contact with the buyers?

A. Yes, I do.

Q. Could you describe those contacts?

A. Well, I would have to say I do through the people that I represent. Personally, I haven't had personal contact with the buyers as such since I was over at the [156] Kenmore facilities some ten years ago where personally I had some occasion to work with—there was a Joe Bathy I believe at that time and there were—I'll be darn, if I can think of his last name. But he still works there as a buyer. I had occasion to work with these two people on an outside design vendor type program.

Personally, lately, I have not had occasion to work with them. But I do know our people are working with them.

Q. What is the name of your department?

A. Tool Design Department.

Q. What is the function of that department?

A. Basically it is to design all specialized tooling that is not the off-the-shelf type of item, such as drill jig fixtures, saw fixtures, anything that is necessary in the fabrication or in the manufacturing sections of the company.

Q. Are these manufactured in the plant or purchased?

A. Some are manufactured in the plant. Others are made for us by outside tool designers. None of the tooling we design is available to be purchased off the shelf.

Q. Does your department initiate these requisitions when it has to be purchased from vendors?

A. Yes. In the case of Tool Design, if we find there is an overload of work and the people in the department [157] cannot meet the schedule put on the master schedule by the planner our group leader and supervisor get together and maybe decide they are going to send a half dozen jobs to be designed to outside vendors.

They decide who is going to do the work on these designs.

The buyer is contacted through tool control, which is a clerical department. The tool control department makes ready the purchase requisitions. A buyer is contacted and asked to call in the vendor that is the choice of tool design. The buyer arranges for that meeting.

The buyer comes into the plant usually and goes over the job to be designed with the tool designer who is in charge of that particular function. The tool designer has

already prepared the package so to speak with the engineering prints that are involved, the operation sheet, and all necessary data that would help or make it possible for this vendor to design the tool.

Tool design estimates the amount of design hours necessary that will be allowed to this vendor so that we know if we are getting a fair price on this thing. That list of estimates is given naturally to the buyer so that he would know when the vendor submits a bid whether it is within the realm of reasonableness of not.

HEARING OFFICER: You said that it is your department [158] that decides what vendor will be called in?

THE WITNESS: Yes.

HEARING OFFICER: Does the tool designer decide this or Tool Design?

THE WITNESS: It is a combination of Tool design and the supervisor.

HEARING OFFICER: How does that work?

THE WITNESS: On some occasions we as tool designers have been asked to visit the facility of this particular vendor to see if in our opinion he has people enough, boards enough, and capabilities enough to do the type of work that is required.

HEARING OFFICER: By "boards" you mean drafting boards?

THE WITNESS: Yes.

HEARING OFFICER: And then after you have visited the vendor on one of these occasions would you then report back to your supervisor?

THE WITNESS: Yes. We report back to the supervisor and give our opinion as to the capabilities at least on the surface. And then of course we add this to the list of desirable vendors.

HEARING OFFICER: Who makes the ultimate decision?

THE WITNESS: I would say our supervisor probably does.

HEARING OFFICER: Mr. Laracy.

[159] Q. (By Mr. Laracy) When the vendor comes in who does he have the meeting with, you and the buyer or just the tool designer?

A. Well, the buyer is there on occasions, although his being there—I hate to minimize the importance of the buyer, but in reality he actually does nothing but arrange for the meeting. All the conversation is with the tool designer or group leader of tool design, which is the same classification. The buyer if he is there, and on the occasions where I personally had to take care of this outside vendor stuff, and buyer absolutely did nothing but sit and wait until we were through.

MR. WINCH: I object to that answer and ask it be stricken. This witness testified he has not seen a buyer for ten years. Now he's talking about ten years ago when he saw buyers sitting down and doing nothing. We are talking about what is happening at the plant today in 1970, 1969 and 1970. That is too remote.

MR. LARACY: I would like to say this. Mr. Miranda is President of the local. He is Chairman of the negotiating team. When he negotiates he has to negotiate for each individual. He has to know their job classification and what their duties are. Even though he is not doing it, I am sure if the person sitting next to him has dealings with a vendor I am sure he is aware of it. I am sure all [160] the information is presented to him. I do not see how he could effectively negotiate without this knowledge.

HEARING OFFICER: Is it true the last time you met with a buyer and vendor was about ten years ago?

THE WITNESS: Yes, it is true.

HEARING OFFICER: I will allow his reply. I think the record is clear that it has been ten years since he has personally been in on one of these meetings.

MR. WINCH: I do not have to repeat each time that I except to the ruling. That is automatic as you have stated. So, when you make your rulings my exception is automatic.

HEARING OFFICER: Right.

Q. (By Mr. Laracy) When the record is finally processed, Mr. Miranda, the specifications, the vendor, and most other vital information is on the record?

A. All vital information is supplied to the vendor directly by the tool designer. In other words the buyer—

and I know this to be true. While I personally have not done it I as late as yesterday talked to the three people that are doing it and have been doing it. Their names are Albert Cavallari, Paul O'Brien, and Fred Tucholski. Those are the people doing it and they have done it right up to a couple of months ago. At this time we don't have any work going outside.

[161] MR. WINCH: Again I object on the grounds it is hearsay.

THE WITNESS: All personal data—

HEARING OFFICER: Excuse me. There has been an objection. I am going to overrule that on the basis that if this is hearsay I think it will be clear on the record and the Regional Director and the decision writer can accept the testimony for what it is worth.

Q. (By Mr. Laracy) Then actually, Mr. Miranda, with the—when the buyer gets the requisition he just formalizes it by putting it into purchase order form; is that right?

A. That's right.

Q. Are you familiar with the job description of engineer—

MR. WINCH: I object to that last answer and ask it be stricken on the grounds he does not know.

THE WITNESS: I do know. I know what a purchase order is and purchase records. For you to sit there and say I don't know is—

HEARING OFFICER: Just a moment. It is not your place to be arguing with counsel. Mr. Winch has every right to object to whatever he feels like it.

I will overrule that objection also, sir, on the same basis as your last objection.

I also wanted to ask a question here. I want to establish this point. The specifications and so forth that are prepared by the tool designer, is this done through [162] the supervisor?

THE WITNESS: I would say no. The supervisor actually at this point has very little to do with the actual contacts of the tool designer and the vendor. He might decide, like I said before, sir, that we are going to send these jobs outside. Once that decision is made he charges

the appropriate tool designer with the job of doing all the work necessary to make possible the vendor's operation. At that point the supervisor has little or nothing to do with it until the final design comes in, or there may be questions on the type of approach, which is normally his guiding light, anyway. If we are stuck, he would guide us. As a rule there is very little supervision done other than supervision done by the tool designer to the vendor.

HEARING OFFICER: Off the record.

(Discussion off the record)

HEARING OFFICER: Back on the record.

Mr. Laracy, at this point, as we discussed off-the-record, I am going to ask you to explain your purpose in pursuing this line of questioning with this witness.

MR. LARACY: The company in their testimony attempted to prove that the buyers make all the decisions in issuing a purchase order. They claimed the buyer makes the decision who the vendors are, what type of material to buy, what type of tool to buy, what type of equipment, and so forth.

[163] It is our desire in this testimony to prove that most of these decisions in the big money values are made by other people other than buyers, such as tool designers, material control employees, machinery and equipment planners. These are the ones that make the decisions as to what kind of tools, where to buy the tools. They are the ones who talk to the vendors. Eventually the buyer just formalizes the paperwork.

HEARING OFFICER: Would you proceed.

Q. (By Mr. Laracy) Mr. Miranda, are you familiar with Engineer, machine and equipment planning?

A. Yes, sir, I am. They happen to be in our Production Engineering Technical Association unit.

MR. LARACY: I will mark this Petitioner's Exhibit 10.

(The document above-referred to, was marked Petitioner's Exhibit No. 10 for identification)

Q. (By Mr. Laracy) Would you identify the job description for us please?

A. This is our job description of Engineer, Machine and Equipment Planning, Class 2.

MR. LARACY: I would like to introduce it into evidence at this time, Petitioner's Exhibit No. 10.

MR. WINCH: No objection.

HEARING OFFICER: Petitioner's Exhibit No. 10 is received into evidence as there are no objections.

[164] (The document above-referred to, heretofore marked Petitioner's Exhibit No. 10, was received into evidence)

Q. (By Mr. Laracy) Now, Mr. Miranda, either from your firsthand knowledge or from the job write-up in front of you, could you tell us the Engineer, Machine and Equipment Planner, what is his function is?

A. Well, his function basically is complex in nature in that this particular man is groping for equipment and machinery that is rather exotic, that is, nothing that can be purchased that he knows of. Sometimes they have purchased machines that need modifications to take care of the particular needs of our company. So, our machinery and equipment planning engineer does all of the investigations after he knows what is necessary and required by our company. He does a lot of investigating.

He arranges, there again through the buyer, for an audience with the appropriate vendors that we think are available to perform and deliver the kind of machinery and equipment that the company is looking for. Ultimately when he decides he has found a place that will supply and can supply and deliver what we want, then he prepares a purchase requisition. And in the purchase requisition, it is pretty detailed, telling everybody including the buyer and the vendor exactly what is required, those specifi- [165] cations that must be met, and all of the intricacies and necessary items to be communicated.

There again the purchase requisition ultimately does down to purchasing and the buyer in the cases that I am familiar with, especially in the follow-up of machinery and equipment, the buyer produced a purchase order which is identical to the purchase requisition that

is prepared by our people, there again showing that the buyer had in this instance little or no latitude as far as I can determine in where they buy, who they buy from, or what goes into the making of the machinery and equipment. The purchase order is identical to the purchase requisition.

Q. Are there any vendor contacts here between the machinery and equipment planner?

A. Many, many contacts with the vendor. They might, however—

Q. Does the machine and equipment planner ever visit the vendor on the road?

A. Occasionally they do.

Q. What percentage of this time is spent doing that?

A. I am not in a real position to judge that. I wouldn't hazard a guess, really. Just on occasions. I wouldn't know what percentage our people are asked to go to the vendor.

[166] HEARING OFFICER: Would they visit the vendor alone or with a management team?

THE WITNESS: They could be in either. Many times this equipment engineer goes alone or in some instances he goes with a manufacturing engineer to match notes because our equipment naturally comes from other parts of the corporation. We as such do not determine the kind of equipment necessary. The requirements that come to us are from other sources such as manufacturing engineering and such as that because they know that the company is getting into a new and strange field. Somebody else actually determines the kind of work we are going to be doing, and our manufacturing engineer looks around for the specialized equipment that can possibly produce that kind of stuff.

HEARING OFFICER: You indicated before, correct me if I'm wrong, purchase orders are the same thing as purchase requisitions?

THE WITNESS: I am saying they are identical.

HEARING OFFICER: Do you see the purchase orders?

THE WITNESS: I do see them and I have seen them, especially since we are working on this particular

thing. I have taken the time to go through the files and get copies of our purchase requisitions and the related purchase orders to show they are identical.

MR. WINCH: If the Hearing Officer please, I take it [167] from the testimony, and I say this to help clarify the record, that there are two documents. There is the requisition and the purchase order. I do not think the witness intends to deny that.

HEARING OFFICER: Well, let me ask you, you are aware there is a purchase requisition and a purchase order?

THE WITNESS: In this particular case, there are two pieces of paper. One is a purchase requisition and one is a purchase order. There are other occasions where there are not two pieces of paper; there is one piece of paper that is filled out and signed by the tool expeditor. I have copies that show that.

MR. WINCH: If the Hearing Officer please, I think the witness has contradicted himself.

HEARING OFFICER: You will have an opportunity to develop that on cross-examination.

Q. (By Mr. Laracy) In the job description you were reading, you underlined certain material. Would you describe why you underlined that material?

A. I underlined it again because we are talking about the latitude of the buyer relative to the latitude we have. This shows it is a contractual agreement with the company. That job description that I am looking at includes that it is our obligation to prepare the purchase requisition for capital, portable and departmental equipment for approval [168] of the supervisor. And further down I underlined we coordinate the efforts of other BAC and outside personnel relative to procurement, delivery and installation of equipment.

HEARING OFFICER: What is "BAC"?

THE WITNESS: Bell Aircraft.

MR. WACKS: Aerospace.

THE WITNESS: It was Aircraft at that time and we never changed it.

It is a contract obligation of our people to the company to do the work that is underlined here. When we do

it the latitude of the buyer as such in these particular cases is very, very minimum because he does nothing to change the purchase order. He has nothing to do with the vendor other than to arrange for the meeting with the vendor and the people we have involved. So, that is what this shows as far as I can see.

HEARING OFFICER: Excuse me. Before we leave this document, it says "Received 8-30-67, Rejected." What does that mean?

THE WITNESS: This was my note. Actually this was a new job description, not this last contract negotiation but the one prior to that in 1967. We agreed on some new duties and a new price for this job. The company prepared [169] these job descriptions. Of course we have to agree to them. And I have to admit that while the company wrote this there is some intricacies of this particular job that we never actually agreed with. So, I made a note. I sent the company a notice of rejection.

HEARING OFFICER: Is this the current existing valid job description at this time?

THE WITNESS: Yes, it is the only one that is in existence.

MR. LARACY: Mr. Hearing Officer, this will be our next exhibit. This will be P 11.

(The document above-referred to, was marked Petitioner's Exhibit No. 11 for identification)

Q. (By Mr. Laracy) Mr. Miranda, would you identify this?

A. This is the Departmental Job Instruction including the machinery and equipment control functions at the corporation. Under Paragraph II B, are the particular duties as sought by the company of our manufacturing and equipment engineering. Again I read from Paragraph II B of this departmental job instruction No. M 9-001. Under the heading of Manufacturing Equipment Engineering I have underlined the same things that were written by the company that appear in our job description. They read: "Evaluate and prepare purchase requisitions for approved machinery and equip-

ment MER's and sales orders (facility contracts)." [170] And sub paragraph 3 of B it is "Coordinate efforts of Plant Layout, Plant Engineering, Procurement, Manufacturing, Maintenance, Outside Contractors and Vendors relative to procurement delivery and installation of equipment."

HEARING OFFICER: Let me caution the witness or advise the witness it would be best if he would try to confine his answers a little more to be responsive to the questions asked. For example, I think you gave us a great deal of information from that document.

Q. (By Mr. Laracy) What is the purpose of this document, Mr. Miranda?

A. The purpose, as I understand, these departmental job instructions are written by the supervisors that control these functions as to what they expect of certain jobs and the relationship of one job to another within the corporation. This is kind of a flow of related skills and inputs you might say.

Q. Would you say it describes the functions of the department and the employees who work in those departments?

A. I would say it does.

MR. LARACY: At this time I would like to introduce Petitioner's Exhibit No. 11, which is the departmental job instructions.

HEARING OFFICER: Has this been marked for identification?

MR. LARACY: Yes.

[171] MR. WINCH: Again I have no objection as to the authenticity of the exhibit, but my objection has to do with the relevancy of the testimony and to this whole line. I am familiar with the rules of the Board, and I do not want to keep interrupting. But my objection to the whole line of questioning continues on the grounds of non-relevancy.

HEARING OFFICER: Well, it is my understanding that Mr. Laracy contends this testimony is going to show that the buyers do not have complete autonomy in the selection of vendors and are not as autonomous as the company says they are. This is his intention of course.

On that basis I will allow this line of questioning and overrule your objection.

Off the record.

(Discussion off the record)

HEARING OFFICER: Back on the record.

Petitioner's Exhibit No. 11 is received into evidence, notwithstanding Mr. Winch's objection.

(The document above-referred to heretofore marked Petitioner's Exhibit No. 11, was received into evidence)

Q. (By Mr. Laracy) Petitioner's Exhibit No. 11, Mr. Miranda, describes the responsibilities and duties of machinery and equipment control?

A. Yes, it does.

MR. LARACY: This will be Petitioner's Exhibit 12.

[172] (The document above-referred to was marked Petitioner's Exhibit No. 12 for identification)

Q. (By Mr. Laracy) Mr. Miranda, would you identify this?

HEARING OFFICER: Excuse me. Off the record.

(Discussion off the record)

HEARING OFFICER: Back on the record.

Q. (By Mr. Laracy) Mr. Miranda, would you describe what that piece of paperwork is, please?

A. This is a copy of a purchase requisition that was prepared by one of the people in our union G.J. Metz. It describes a modified electron beam welder and all of the technical details that go into the ordering of this equipment. There are several pages of technical data here that I am not intimately familiar with in that respect. But that's what it is. It is a purchase requisition made by one of our manufacturing engineering planners.

HEARING OFFICER: Let the record show he is referring to Petitioner's Exhibit 12.

MR. LARACY: At this time the Petitioner would like to introduce Petitioner's Exhibit No. 12 into evidence.

HEARING OFFICER: Any objection?

MR. WINCH: Same objection on the grounds of nonrelevance.

[173] HEARING OFFICER: Objection overruled. Petioner's Exhibit No. 12 is received into evidence.

(The document above-referred to, heretofore marked Petitioner's Exhibit No. 12 was received into evidence)

Q. (By Mr. Laracy) Mr. Miranda, could you describe how this requisition originates, who types it and so forth?

A. It originates after our manufacturing—

HEARING OFFICER: Excuse me again. Mr. Laracy, I think we established that members of the Amalgamated Local prepares requisitions. Is there anything additional?

MR. LARACY: I am willing to drop it. I want to make sure it is clear this information is put on by this department and the buyer just follows their instructions. The company made a big issue that the buyers do all of this work. We want to make it clear it is done outside of that department.

HEARING OFFICER: Okay, continue.

MR. LARACY: At this time I would like to introduce Petitioner's Exhibit No. 13 which will be a purchase order, which is tied into Petitioner's Exhibit No. 12.

(The document above-referred to, was marked Petitioner's Exhibit No. 13 for identification)

Q. (By Mr. Laracy) This is the exact purchase order for the requisition that we introduced as P 12. It is [174] obvious the wording and everything is exactly the same. Would you identify this?

HEARING OFFICER: That is Petitioner's Exhibit No. 13?

MR. LARACY: Yes.

THE WITNESS: This is a copy here again of a purchase order which takes cares of our purchase requisition 024091. In a comparison of the two I find the purchase order is identical in content to the purchase requisition.

Q. (By Mr. Laracy) Is Petitioner's Exhibit 13 the actual purchase requisition for requisition P 12?

A. This is a copy of it actually, P 12. It is a copy and not the actual requisition or purchase order I should say.

HEARING OFFICER: Would this beam welder designed by one of your tool designers?

THE WITNESS: No, sir. This is special equipment designed by people who specialize in special equipment. In this case we did not design this.

HEARING OFFICER: I guess I was premature in interrupting Mr. Laracy's line of questioning with respect to Petitioner's Exhibit 13. Let's take a minute to look at it.

When you say that the purchase orders are identical, are you referring to the single item there which says "Modified Electron Beam Welder?"

THE WITNESS: Not only that, but if you read it or compare the writing of the purchase requisition with the [175] writing of the purchase order, the verbiage on the purchase order is identical to that on the purchase requisition.

The prices I realize are different, but the total comes out the same. The prices we have there, again that might be the obligation of the buyer. We do have prices on our purchase requisitions which were given to us, maybe initially by the vendor. Possibly there was a change or miscalculation in the estimate. I realize they are not identical to the extent our prices shown on the purchase requisition are not identical with the prices shown on the purchase order. I found that by totalling it all up it comes out to about $120,000. It seems to be the same.

HEARING OFFICER: All right.

MR. LARACY: Have I introduced that?

HEARING OFFICER: I don't believe so.

MR. LARACY: At this time I would like to introduce Petitioner's Exhibit 13 into evidence.

HEARING OFFICER: 12 and 13?

MR. LARACY: No. 13.

MR. WINCH: No objection.

HEARING OFFICER: Then that's received into evidence.

(The document above-referred to, heretofore marked Petitioner's Exhibit No. 13 was received into evidence)

MR. LARACY: This will be Petitioner's Exhibit No. 14.

[176] (The document above-referred to was marked Petitioner's Exhibit No. 14 for identification)

Q. (By Mr. Laracy) Mr. Miranda, would you describe this piece of paperwork?

A. This is a copy of the kind of work our tool expeditor does, namely Bill Grass. This is a purchase requisition prepared by Mr. Grass telling what we need, suggesting some place that we might buy it, and this ultimately—evidently it was originally a purchase requisition prepared by our people. But it wound up to be the purchase order by a buyer's signing it down here and putting a purchase order number on it. So, this is the occasion I referred to when there are not two separate pieces of paper. This is a combination purchase requisition that becomes a purchase order. This is an example.

Q. This is issued by who?

A. Our tool expeditor.

MR. LARACY: I would like to introduce Petitioner's Exhibit No. 14 into evidence.

HEARING OFFICER: I am just a little puzzled. This is a many page document. Are you referring to Page 1?

MR. LARACY: This is actually four different requisitions and four different purchase orders. It is an example of the type of requisitions that is issued by the tool expeditors and eventually becomes the purchase order.

[177] HEARING OFFICER: You are introducing this four page document?

MR. LARACY: That's right.

THE WITNESS: They are all separate. I was looking at the one on top. The one on top is different than the one on the bottom.

HEARING OFFICER: Does the same thing hold true for Employer's Exhibit No. 12? It is a multi-page document. That's all one purchase requisition?

THE WITNESS: Yes, all one.

HEARING OFFICER: And Petitioner's Exhibit 13 is all one, one purchase order?

THE WITNESS: Right.

HEARING OFFICER: But 14 is four separate purchase requisitions?

THE WITNESS: That resulted in purchase orders, yes.

HEARING OFFICER: You offered these into evidence, Mr. Laracy?

MR. LARACY: Yes.

HEARING OFFICER: Mr. Winch, do you have any objection?

MR. WINCH: No objection.

HEARING OFFICER: All right. Petitioner's Exhibit 14 is received into evidence.

(The document above-referred to, heretofore marked Petitioner's Exhibit 14, was received into evidence)

[178] Q. (By Mr. Laracy) Here too, Mr. Miranda, the vendor is determined by the tooling department?

A. Yes. We have the name of the vendor and the name of the distributor.

Q. Mr. Miranda, in reference to your fringe benefits that your people enjoy, do all the members of Local 1286 have the same fringe benefits?

A. Yes, they do.

Q. What is your vacation schedule? How about vacations?

A. The vacation schedule, after ten years you get three weeks, after fifteen you get four weeks vacation, and after twenty-five years you get five weeks vacation.

Q. That's what, twenty-five years, five weeks?

A. After twenty-five years you get five weeks, yes.

Q. How about the hospitalization and medical plan?

A. We are covered by Prudential. We have salary continuation. It's all uniform as far as I understand.

MR. WINCH: Now, this I object to. This is directed toward community of interest.

HEARING OFFICER: Is that the purpose?

MR. LARACY: The purpose is to show members of 1286 receive the same fringe benefits as do the buyers and assistant buyers in other words.

HEARING OFFICER: I am going to admit that. I am overruling your objection, Mr. Winch, for this reason, that frequently when determining whether or not employees are [179] managerial or not managerial we look also to the, for example, difference in pay or the difference in fringe benefits or other factors such as this in helping us to make such determination. On that basis I feel the testimony is relevant and I will overrule the objection.

Q. (By Mr. Laracy) You have a Prudential Insurance policy for your hospitalization and medical plan?

A. Yes, sir.

Q. This is a complete coverage plan?

A. It is with the attachment of salary continuation or long-term disability.

Q. What do you mean "salary continuation"?

A. If I go to the hospital and have to be operated on, while convalescing I am paid my full salary for a given number of weeks and then half-salary for another given number of weeks. After those benefits run out I get what they call "long-term disability", which is another amount.

Q. Do you contribute toward this plan?

A. Yes, we do. It is a monthly basis contribution based on the amount of money you are making.

Q. Based on your pay?

A. Yes.

Q. What type of pension plan do you have?

[180] A. The same pension plan all salaried people in the corporation are given. There again your contributions are based on the amount of money you are earning and the benefits are paid accordingly.

Q. It is based on salary?

A. Yes, sir.

Q. It is a contributory plan?

A. It is contributory, yes.

Q. Was there a scale set up for contributions?

A. Yes, sir, there is.

Q. Do you have sick days?

A. Yes, sir, we do.

Q. How many?

A. There again it depends on length of service ranging from ten days to twenty days.

Q. Ten days and twenty days?

A. Yes.

Q. For what length of service do you receive ten days?

A. Anything up to five years you receive ten days sick leave. Over five years you receive twenty days sick leave.

Q. Do you have a stock option plan?

A. Yes, sir.

Q. Will you describe that?

A. It enables the employee to buy 10% of his gross pay in stock where the company also contributes half of the [181] amount you buy. The company puts in a dollar for each dollar's worth that you buy.

HEARING OFFICER: May we go off the record for a minute?

(Discussion off the record)

HEARING OFFICER: Back on the record.

Q. (By Mr. Laracy) How does the company contribute to this stock option?

A. Half of what the employees contribute. For every dollar of the employee's the corporation pays half.

Q. What are your overtime provisions?

A. We get time and a half for all hours worked in excess of eight daily. We get time and a half for all hours worked on Saturday. Whether they be over forty hours or not, is not related. We get double time on Sunday.

Q. Holidays, how many holidays?

A. Ten holidays.

Q. Group life insurance?

A. There again it's all to the amount of—well, it's related to the amount of money you're making.

Q. Is this included in the basic Prudential plan?

A. Group insurance is basic in the Prudential plan.

Q. It covers hospitalization, life insurance, and salary contribution? It's one policy?

[182] A. Yes. We do have other life insurance attached to the pension plan. There are two separate life

insurance plans that are identical. This again is for all salaried people.

Q. Are there any other fringe benefits that you can think of that I did not mention?

A. No, sir, I cannot think of any right off.

MR. LARACY: I have just one more exhibit to enter and I will be finished. This will be Petitioner's Exhibit No. 14.

HEARING OFFICER: 15, I believe.

MR. LARCY: 15, I'm sorry.

(The document above-referred to, was marked Petitioner's Exhibit No. 15 for identification)

Q. (By Mr. Laracy) Could you identify that, please?

A. This is a copy of our Local 1286 classification and rate ranges as prepared and supplied by the company. This contains all of the classifications that make up all of the units of Local 1286 Amalgamated.

MR. LARACY: I should have introduced this earlier just to give us a complete picture of Local 1286's establishment. Iwould like to introduce Petitioner's Exhibit No. 15 into the record.

HEARING OFFICER: As evidence?

Mr. Laracy, you are introducing this in evidence?

[183] MR. WINCH: No objection as to the authenticity but as to relevancy, yes.

HEARING OFFICER: I will overrule the objection and Petitioner's Exhibit No. 15 is received.

(The document above-referred to, heretofore marked Petitioner's Exhibit No. 15, was received into evidence)

Q. (By Mr. Laracy) What other labor unions are established at Bell Aerospace here in the Buffalo area?

A. We have Local 516 which is made up of inspectors, timekeepers, and data processing girls in accounting. Then we have Local 501 which is—

Q. Are timekeepers included?

A. Timekeepers are included in Local 516.

MR. WINCH: Again I object to the relevancy of other unions in the Buffalo area at Bell.

MR. LARACY: I think the Regional Director or decision writer should have a clear picture as to what the collective bargaining history and collective bargaining set up is out at Bell. For example, here is a unit that has obviously clerical people, inspectors, who work out in the shop and they have plant clerks who are timekeepers.

MR. WINCH: Are you contending these other unions are managerial?

MR. LARACY: No. I just want the Regional Director [184] and decision writer to have the complete history of the—the bargaining history out at Bell. I think this is essential.

I can see no objection to the Regional Director knowing what the collective bargaining history is and the collective bargaining status is as of now out at Bell.

HEARING OFFICER: I am not sure I understand what you mean by "collective bargaining history". Do you mean to indicate to what other units there are covered by contract?

MR. LARACY: Well, we have a Local 516 which has accounting people in it which are classified as office clerical. We have inspection which is PM and we have timekeepers which are usually plant clerical in the one unit, which is odd. I am not objecting to it. I think it should be on the record.

HEARING OFFICER: Do you think you can handle it with just a statement on the part of the union's President? I am not altogether clear that I see that the—I am not altogether clear that I see the relevance of this either. I see no harm if you just enter it into the record. I see no objection.

MR. WINCH: We concede we have bargaining relationships with a number of unions, but not with any managerial employees, unless as sometimes appears from this witness' testimony his union is managerial. Maybe we should not have a contract [185] with them. But with the other unions, we agree they are entitled to representation under the Act.

MR. LARACY: I want it on the record we have other UAW units there, and I want the unit clarified.

HEARING OFFICER: Off the record.

(Discussion off the record)

HEARING OFFICER: On the record.

Based on an off-the-record discussion, I will overrule Mr. Winch's objection and permit you to introduce some evidence concerning unions at Bell Aerospace.

Q. (By Mr. Laracy) Could you describe each local and their unit composition?

A. To the best of my knowledge there is a local 516 which comprises the inspectors, timekeepers, and the data processing girls in accounting. We at one time in the PETA Production Engineering Technical Association, as a matter of fact including Loft and Production Control, were in this particular union, 516. We are not any longer. There was a separation of 516 because they were hourly people and we chose to form and did in fact form a salaried separate group there. So, all people in our group are salaried and all people in 516 are hourly.

There is Local 501 which is made up of all production and maintenance employees. I am not able to give you all the classifications but they range from sweeper to the [186] tool manager. There is a lithographer's union, there is another union, a guard's union, there is a local 205 AFTE, I guess, American Federation of Technical Engineers. This is a technical organization. Aside from that I don't know of anymore.

MR. LARACY: That's all I have.

HEARING OFFICER: Mr. Winch, I assume that you have questions that you want to ask also of this witness on cross-examination, but seeing it's almost lunch time, maybe this might be a good time to break for lunch.

MR. WINCH: That is satisfactory.

HEARING OFFICER: We will take our lunch break and we will be back here at 1:00 o'clock.

(Whereupon, at 11:45 a.m., the hearing in the above-entitled matter adjourned, to reconvene at 1:00 p.m. the same day)

[187] AFTERNOON SESSION

HEARING OFFICER PALERMO: On the record.

Mr. Miranda, would you resume the stand, please? Whereupon,

JOHN MIRANDA

resumed the stand and testified further as follows:

HEARING OFFICER: You are still under oath.

THE WITNESS: Yes, sir.

HEARING OFFICER: Mr. Laracy, am I correct you have completed your direct examination?

MR. LARACY: Yes, I have completed it.

HEARING OFFICER: Mr. Winch.

CROSS-EXAMINATION

Q. (By Mr. Winch) There is one ambiguity in my mind as to your testimony. At one point I understood you to say that everything that resulted in a purchase passed through the purchasing department and was signed by somebody in the purchasing department, and then at another time I understood you to say that there were some instances where the purchasing department was entirely short circuited, nobody from purchasing signed it, the purchase order went directly from 1286 to the vendor. Which is correct?

A. I don't believe you quoted me exactly correctly, sir.

Q. I want to be corrected. I want to make it clear for the record.

A. I never did say, to my recollection, that the [188] purchase requisitions never passed through the purchasing department as such. What I did say was there were not always two pieces of paper. There was not always a purchase requisition and an additional purchase order.

I tried to point out in some instances, the purchase requisition that we created resulted in purchase orders and there was not an additional piece of paper. The purchase requisitions became purchase orders by passing through the procurement department and being signed. That is what I meant to say.

Q. Somebody from the purchasing department does sign every requisition before the order is actually placed?

A. That is true.

MR. WINCH: That's all.

CROSS-EXAMINATION

Q. (By Hearing Officer) Mr. Miranda, what is the number of your Amalgamated Union?

A. Local 1286.

Q. Do any members of Local 1286 to the best of your knowledge have the authority to commit the Employer's credit?

A. No, sir, we do not.

Q. Do any of these people themselves have the final say in determining with whom and when and order will be placed? In other words, actually making the decision and [189] saying, all right, Mr. X, you have our order?

A. It's hard to answer yes or no. I would say in most cases we do have the final say. But I suppose in reality the supervisor—

Q. Excuse me. I mean in your direct dealings with the vendor, does any member of Local 1286 in these departments we've discussed have the authority to go to a vendor and say, without prior authorization, you have got the deal and—

A. No, not without prior authorization. We would not have that authority.

Q. You do not directly place orders? By "you" I mean members of Local 1286.

A. No, we do not.

Q. The orders are placed through purchasing or procurement?

A. The answer would have to be yes to that. As I pointed out, we have a lot to say about who the order gets placed with and we have all to say in many cases with what gets done at the vendor.

Q. You mentioned before there are instances when a buyer will come in and talk to a tool designer with respect to purchasing a new tool. A purchase requisition that was creating by a tool designer, okay? Am I cor-

rect in that the buyer will come and talk to the tool designer?

A. That's true.

[190] Q. If the tool designer recommends let's say that a particular tool be ordered from Vendor A can the buyer if he feels it's advisable change the vendor and say I disagree with you?

A. I don't believe so because I am speaking—

Q. Do you know as a fact?

A. With reference to tool design where it comes to picking the vendors that are able to design our tools, the tool design department has the say as to who the tool vendor would be.

Q. Can you state that as a fact, sir?

A. I will state it as fact to the best of my knowledge.

Q. From your own knowledge?

A. Back ten years ago when I had direct contact with this sort of thing, when I was a group leader in tool design in charge of that sort of thing ten years ago, that was true. We decided who the vendor would be and we were the only ones qualified to know who the qualified vendors were. So that purchasing, while they had technical authority, never used it because they would have been behind the eight ball. They did not use that authority. It was not sensible, if they had it at all.

HEARING OFFICER: Do you have anything, Mr. Laracy? Any additional questions?

MR. LARACY: No, sir, that is all.

[191] HEARING OFFICER: You may step down.

(Witness excused)

MR. LARACY: I would like to call Mr. Harry White. Whereupon,

HARRY WHITE

was called as a witness by and on behalf of the Petitioner and, having first been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

Q. (By Mr. Laracy) Would you give us your name, please?

A. Harry White.

Q. Mr. White, could you give us your occupation?

A. Scheduler Production Material Control.

HEARING OFFICER: Excuse me, I didn't hear you.

THE WITNESS: Scheduler, Material Control.

HEARING OFFICER: I dont' believe he completed his answer.

THE WITNESS: That is part of the production material control unit, scheduler.

Q. (By Mr. Laracy) How long have you been employed with the company?

A. About nineteen years.

Q. Have you been a scheduler all this time?

A. Yes, sir.

Q. Are you an active member in your local union?

[192] A. Yes, sir.

Q. Could you give us your title and a brief history of your activities in the local?

A. I was steward first, then committeeman, and then President. I have been President twelve to fourteen years, and I am vice-president of the Amalgamated.

Q. Now, you are a member of the material control department. Is that the official name?

A. Actually the total name is production material control. It's all one, production material control.

Q. How long have you been a member of that department?

A. About nineteen years.

Q. Could you describe the functions of that department in its relation to the purchasing department?

A. Yes. We have two sections that are involved with purchasing. We do all the ordering for all raw materials. This is irrespective of production or research and development. We order all raw materials, all AM and NS's and standard part numbers.

HEARING OFFICER: What are AM's?

THE WITNESS: That's like nuts and bolts. AM and

NS's and any S's, standard parts which is the general term.

HEARING OFFICER: Which is basically nuts and bolts?

THE WITNESS: Yes. We order all Bell approved drawing numbers.

[193] HEARING OFFICER: Bell approved?

THE WITNESS: Approved drawing numbers. Those are prints. All min-max. Those are items that the company wants to set up. They want to keep a minimum amount. When it gets below a certain amount we automatically put in an order. Now not all factory supplies, a good quantity of factory supplies like paints and stuff like that.

I think that is the extent of our ordering. In dealing with—I don't know how much you want me to go into our dealings with the purchasing department. As you have seen, we write a purchase requisition that goes to purchasing. Sometimes we give directions and sometimes we do not. Sometimes the prints call out a vendor and we have to get that vendor. At no time can purchasing change anything in our call-out without coming back to us.

HEARING OFFICER: I am not sure what you mean by "call-out." Do you have like an order card?

THE WITNESS: No.

HEARING OFFICER: What do you mean"call-out"?

THE WITNESS: The job description calls out a requirement group. A requirement group takes from the engineering print what is needed. We break that down, what's needed, in quantity and attrition and so forth. And we write what engineering calls out for PM. On it is what the engineer calls out on the print based on whatever requirements they [194] would ask for.

HEARING OFFICER: Let's say you receive a drawing from an engineer. You look at the design and you see the engineer needs a part X, Y, Z. You read this blueprint; is that correct?

THE WITNESS: Yes. We have one section that breaks down the print into what we need.

HEARING OFFICER: If they come across a part X, Y, Z, they know they have to order it?

THE WITNESS: Right. Then we have one group that

writes purchase requisitions. Sometimes we are allowed attrition based on an overall attrition factor. We set the scheduled dates based on the line of balance chart. We set the schedule based on a very complicated procedure. I couldn't go into that unless you want it.

We basically have to take the date projected, the date the engineer wants it made by. We get the lead time, a delivery time, and an allowance for purchase. Then we have to back off what we call "In Dated Charts." Then we have to get it in line to hit the end date as requested. We get that information from a master schedule group who feeds that to us, what they need.

Now the purchase requisition goes to the purchasing department. If at anytime they cannot meet the delivery date we have another section within our group, what they [195] call "follow-up schedulers."

HEARING OFFICER: Who is "they"?

THE WITNESS: Purchasing. Or if they cannot get the material they have to contact our follow-up man. We do all the leg work between engineering and purchasing. If they cannot get the material we have to try to get the engineer to deviate.

HEARING OFFICER: You mean to find a substitute if possible?

THE WITNESS: Right. They offer a substitute the vendor can give us. We take that to engineering and try to get them to change it if they will. If they do they have to put out an engineering change order. Based on this engineering change order we then order purchasing to change their PR, and we write another, what they call a change of purchase "Rec", COP, which changes the original. This basically says based on the EO and based on the information we have from engineering we can now order what you offered us. Then they order accordingly.

The follow-up man's basic job is to see that it is in the house in time. If it isn't we have to go into an immediate talk about the rescheduling of the job and everything based on that. That is basically the job of our people in the area of purchasing.

HEARING OFFICER: All right.

[196] Q. (By Mr. Laracy) You make orders of raw materials?

A. Yes.

Q. How about semi-finished parts or forgings or purchased parts?

A. Forgings are raw materials. Semi-finished parts would be Bell drawing numbers.

Q. Pardon?

A. It's usually a Bell Drawing number with maybe an operation to pick it up in the plant. That's a re-write on the "PR" and a pickup when it comes in. We issue travellers to pickup work in the plant.

HEARING OFFICER: A Bell drawing, is that a design that has been approved by Bell like a blueprint?

THE WITNESS: Yes.

HEARING OFFICER: You look at that and decide what parts you need?

THE WITNESS: On the top management level they have what they call a make or buy committee to decide whether they are going to make it in the house or send it to a vendor. If they decide to buy in total they send the prints out. If we got the prints today they would say make. Most of the time we furnish material, not always.

HEARING OFFICER: You are referring to the Bell drawings and you are talking about a design that has been sent to your department with an approval from higher management [197] to make the purchase?

THE WITNESS: Right.

Q. (By Mr. Laracy) Are the purchase requisitions put in from your department?

A. Yes, sir.

Q. How about finished parts?

A. Well, I don't know exactly what you mean by "finished parts". It could be a nut, a nut is a finished product. A finished part is in effect a Bell drawing number if you are talking about an assembly that is put together and brought in in total. You could call a nut a finished part.

Q. Would those requisitions be processed from your department?

A. Yes.

Q. Are you a Scheduler, manufacturing release and material?

A. Yes, sir.

Q. Is this your job description?

HEARING OFFICER: Would you have this marked for identification?

MR. LARACY: This will be P 16.

(The document above-referred to, was marked Petitioner's Exhibit No. 16 for identification)

THE WITNESS: This is our job description.

MR. LARACY: I would like to enter Petitioner's Exhibit 16 into the record.

[198] HEARING OFFICER: Any objection, Mr. Winch?

MR. WINCH: Again no objection to the authenticity. I object to the relevancy.

HEARING OFFICER: All right.

MR. WINCH: Does that adequately—

HEARING OFFICER: Just a moment.

All right, I am going to overrule your objection, and Petitioner's Exhibit 16 is received into evidence.

(The document above-referred to, heretofore marked Petitioner's Exhibit No. 16, was received into evidence)

HEARING OFFICER: Go ahead, Mr. Laracy.

Q. (By Mr. Laracy) Does that adequately describe your job description?

A. Yes, I will say so.

Q. You have underlined certain parts on the first page and second page. Why were those parts underlined?

A. It directly related to our relationship with the purchasing department.

MR. LARACY: At this time the Petitioner would like to introduce a six-page document that shows some of the relations between the buyers and the material control department.

HEARING OFFICER: Would you have that marked for identification?

MR. LARACY: Petitioner's 17.

[199] (The document above-referred to, was marked Petitioner's Exhibit 17 for identification)

MR. LARACY: At this time I would like to introduce Petitioner's Exhibit No. 17 into the record and I will like to have Mr. White describe it.

MR. WINCH: I now ask you, before you start questioning him on it, is it offered into evidence?

MR. LARACY: Yes.

MR. WINCH: Again no objection to the authenticity of it, but I object to the relevance.

HEARING OFFICER: On the same basis I will overrule Mr. Winch's objection and receive Petitioner's Exhibit No. 17 into evidence.

(The document above-referred to, heretofore marked Petitioner's Exhibit No. 17, was received into evidence)

HEARING OFFICER: Off the record.

(Discussion off the record)

HEARING OFFICER: Back on the record.

Q. (By Mr. Laracy) Let me caution you, Mr. White, do not use initials because it may be hard for the decision writer.

A. I will be brief. These are castings that we have ordered.

HEARING OFFICER: Excuse me, Mr. White. Unfortunately, [200] Mr. Laracy, I think your explanation of why this was offered was off the record. Could you state briefly why you offered this so the decision writer will know?

MR. LARACY: Petitioner's Exhibit No. 17 was introduced to show many of the decisions in purchasing raw materials are made by the material control department. And if there is any misinformation by the material control department or an engineering change is made these requisitions have to come back to the material control department for the verification or change.

HEARING OFFICER: Okay, fine. Now, I believe you asked Mr. White to explain these.

Q. (By Mr. Laracy) Would you explain this six-page document briefly, and remember the decision writer has to interpret this?

A. This is basically ordering a lot of castings, to which we added the purchase is complete for engineering drawing and explaning what "specs" is and why it had to be

put on to those castings, setting up the option quantities that purchasing could buy and suggesting the vendor buy it from—and suggesting the vendor that they should buy it from based on past history.

HEARING OFFICER: By casting, are those more or less for molten steel or for molten metals of some sort?

THE WITNESS: Right.

[201] HEARING OFFICER: You are just ordering castings for them?

THE WITNESS: Yes, the finished castings.

HEARING OFFICER: And the suggested source, that is down at the bottom here on the left? The first one for example says "Frontier Bronze Corporation?"

THE WITNESS: Yes. And we give a previous PO so they can refer back.

HEARING OFFICER: Who is "they"?

THE WITNESS: For purchasing to refer back.

HEARING OFFICER: Let's say in checking back on a preivous PO they find the work done by that particular vendor was not satisfactory. Would the buyer then select a new one?

THE WITNESS: We would not suggest it because we handle all the MDR scraps or any problem relating to rejects on a casting. We have got to recommend it. That is in our job description. We handle all the MDR's.

HEARING OFFICER: If it were a part you never before purchased, who would make the suggestion?

THE WITNESS: The buyer. Many of the prints do call out. The engineer tells us what buyer to use. I have it in a couple. It's on the print. They then establish the purchase order exactly as we wrote it.

HEARING OFFICER: Who is "they"?

[202] THE WITNESS: The purchasing department.

HEARING OFFICER: The buyer?

THE WITNESS: Yes. Basically the girl types up the PO exactly as we wrote it adding the quality "specs" which the quality department added to it. The quality man adds what specifications he needs for each.

Q. (By Mr. Laracy) Mention each page as you talk about it.

A. That's Page 2. That is the extent of Page 2. Page 3, they refer to what we mentioned about the option to buy different quantities. We give almost an alternate quantity for buying. They can decrease or increase based on what information they have.

Then Page 4 is a request by the purchasing department that they received more than what they wanted and asking us in effect—it says the above referenced item has been overshipped according to Procurement, Accounting and Receiving records. Please acknowledge and advise if overshipment is acceptable or unacceptable to BAC requirements. We investigated and found they were within 10% allowable attrition factor. We then wrote—now we go to the next page. We wrote what they call a "Change of Purchase Requisition," again showing we would accept this quantity as per the purchasing request and based on future requirements. And then purchasing merely writes up a change of [203] purchase order, types it up, showing acceptance of this because the PO is what they accept it on. This PO has to go into the Receiving Department before they accept it. They have to have the amended one in order to accept the overshipment.

HEARING OFFICER: I see.

Mr. Laracy, the copy of Petitioner's Exhibit 17 that you offered is not clear.

Off the record.

(Discussion off the record)

HEARING OFFICER: Back on the record.

Q. (By Mr. Laracy) Really then the latitude and discretion of the buyers are limited when purchasing raw materials?

MR. WINCH: Now I object to that as calling for a conclusion. It is beyond the knowledge of the witness.

HEARING OFFICER: Mr. Laracy, I believe that the answer that you are seeking is something that really has to be determined on the basis of the evidence. I will sustain the objection.

MR LARACY: That's all I have.

HEARING OFFICER: Okay.

CROSS-EXAMINATION

Q. (By Mr. Winch) Then, Mr. White, I take it from your testimony that your answer would be the same as the one [204] given by Mr. Miranda in answer to my question? You are not actually placing an order. You are making the requisition. The requisition goes to the purchasing department and the purchasing department actually places the order?

A. They place the order, true.

Q. Now, take this Exhibit No. 17. On the second page in the upper right-hand corner you are able to read that No. 492710-6 and recognize that the purchaser who has charge of this particular item is Mr. Gephardt?

A. That's right.

MR. WINCH: Right. No further questions.

CROSS-EXAMINATION

Q. (By Hearing Officer) Sir, I think there has been testimony, but just so that it is clear, the last number and the number to which Mr. Winch has referred is the identification number of the buyer; is that correct?

A. That's right.

Q. Also you mentioned that you have a follow-up man, is that what you call him, in your department?

A. This is—it says in the job description "follow-up schedulers contact procurement and monitor procurement promise dates."

Q. Your follow-up schedulers contact buyers?

A. Yes.

[205] Q. Do the follow-up schedulers contact any vendors?

A. No, sir.

HEARING OFFICER: All right.

MR. WINCH: You asked one question of the other witness I think I should ask.

RECROSS-EXAMINATION

Q. (By Mr. Winch) Can you as a material control

representative commit the company to a contract with the customer?

A. That is a very hard question to answer when you say commit the company to a contract.

Q. Actually it is the purchasing department that makes the commitments, isn't it?

A. I think that is what you are leading to. It could be said we commit it to the extent we work with the production workers. We work with the master schedulers. We get the lead date and the quantity involved. At no time can purchasing change anything in the "Rec" that we have put in without coming back to us as they did by memo before. The money value they may commit.

Q. The actual commitment of the company is made by purchasing?

A. That is the final phase after a total team effort, yes, I would say.

MR. WINCH: Thank you. That's all.

[206] MR. LARACY: That's all.

HEARING OFFICER: All right, sir, please step down.

(Witness excused)

MR. LARACY: Off the record.

HEARING OFFICER: Off the record.

(Discussion off the record)

HEARING OFFICER: On the record.

MR. LARACY: I would like to call Mr. Edward Nolan to the stand.

Whereupon,

EDWARD NOLAN

was called as a witness by and on behalf of Petitioner and, having first been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

Q. (By Mr. Laracy) Would you state your name, please?

A. Edward Nolan.

Q. Mr. Nolan, what is your occupation and your employment background at Bell Aerospace?

A. I am considered to be a Class 2 Buyer. As far as my background goes, and if memory serves me correctly, 1942, a part of '42 and a part of '43 I was a milling machine operator, a spot welder, and a sub assembly. In '51—after '43 I had other things to do. In '51 I rejoined Bell as a [207] tool control man or an expeditor. Then I was moved around, tool termination and stuff. And I think I was laid off in '59. I got back into Bell Aerospace in '63 as an expeditor. In '65 I became a buyer Class 2. Then basically that is my history with Bell.

Q. What is the date of your latest hire?

A. My latest hire?

Q. Your latest hire, roughly, month and year.

MR. WINCH: May I read you something?

THE WITNESS: January '63.

Q. (By Mr. Laracy) January '63?

A. To the best of my recollection.

Q. Now, Mr. Nolan, the Employer entered into testimony here the buyer Class 2 job description. Would you look at this and tell us does it fit your job description as you know it?

A. Yes. In all honesty I looked at this prior to my taking the stand. And I have to take exception. I don't think this covers my duties as such. The parts that I take exception to, I have noted them on my copy. If you have a copy of that E 13 job description rating—

HEARING OFFICER: This is Employer's Exhibit No. 6.

THE WITNESS: I don't know really. Is it?

MR. LARACY: Yes, E 6.

THE WITNESS: Yes, yes. It says here, and I am looking [208] at approximately 2, 4, Line 6. We are speaking about the buyer: "Determines the type of equipment necessary to produce the parts or tools." I don't think I determined this.

Q. (By Mr. Laracy) Do any of the buyers do this to your knowledge?

A. I am speaking for a Class 2 Buyer.

Q. Yes, do any other Class 2 Buyers?

A. I imagine they would fall into the same category, meaning they are restricted likewise.

HEARING OFFICER: You said you imagine. Do they or don't they?

Can you state for sure?

THE WITNESS: Up until this meeting I was not sure who was a Class 2 Buyer and who was not. It's awful hard for me to commit myself. I don't know all of them. Oh, I did know some of them.

Then a couple of lines down it says, Number 2, "Forwards bids to the Estimating Department for approval". I think that is a function that has been bypassed.

HEARING OFFICER: What do you mean "bypassed"?

THE WITNESS: Well, I do not. We forward bids to whatever the chain of command is involved in the department, whatever chain of command is involved in the department for [209] approval or signature.

HEARING OFFICER: In the Procurement Department?

THE WITNESS: Right, sir.

And then the bottom three lines says, "Assigns work of placing orders for less complex parts or tools or portions of large orders to Class 1 Buyers."

There is no such animal.

Q. (By Mr. Laracy) As a Class 1 Buyer?

A. Right, sir.

Q. There is a senior Buyer?

A. A higher grade you mean?

Q. Yes.

A. Right.

Q. Otherwise the job description is fairly accurate?

A. In my interpretation, yes.

Q. What is your particular job function in the Purchasing Department, Mr. Nolan?

A. Well, when I am not restricted I select a buyer to produce the part that our material control people have requested or parts if the requisition reads in a like manner.

HEARING OFFICER: I didn't understand that. Could you go through that again?

THE WITNESS: I said when I am not restricted I select the supplier who can make what the purchase requisition spells out.

[210] HEARING OFFICER: By "Restricted" do you mean unless somebody specifies what vendor you should go to?

THE WITNESS: Yes. That is for one or in some instances where I handle Bell Helicopter parts I am restricted by their choice of supplier, meaning they tell me where I can go for certain services. They are our customers and they spell out on it the approved sources so to speak.

HEARING OFFICER: Who is your customer?

THE WITNESS: Bell Helicopter.

HEARING OFFICER: Are you restricted most of the time or not?

THE WITNESS: Generally speaking, yes.

HEARING OFFICER: So, generally speaking you can choose your own vendor?

THE WITNESS: Well, yes, if this is not a repetitive item. I would say right now, my guess now or my opinion—I will substitute the word "opinion"—is that approximately 80%, possibly higher, of all the items that are being purchased are repetitive items.

Q. (By Mr. Laracy) In these cases you would use the same vendor? Is that what you mean?

A. Well, if—in most cases. But we do reopen to competition on occasions to see whether or not he is moving—whether or not he is holding the line with regards to price.

[211] HEARING OFFICER: Can you do this on your own, sir?

THE WITNESS: Yes.

HEARING OFFICER: Reopen the bids?

THE WITNESS: Right, meaning send out an RFQ or Request For Quotation to other suppliers than the established source.

HEARING OFFICER: If another vendor sent in a bid that was more attractive than the incumbent vendor,

the one you are dealing with, then could you on your own for orders under $5,000, switch vendors?

THE WITNESS: Well, the set up I have between my supervisor and myself is that we discuss all possibilities of alternate sources.

Q. (By Mr. Laracy) What commodities do you buy for the company?

A. 85% of the workload or the requisitions that hit my desk have to do with helicopter parts as such, whether it's blades, doors, cowles, or firewalls, any such thing. The helicopter program was at one time the bread and butter of Bell Aerospace. It's the Minute Man now because of phasing out of the helicopter program in some cases or parts.

Q. Are these helicopter parts finished raw materials or semi-finished? What do you mean you purchase helicopter parts?

[212] A. Usually they are machined items. In some cases they could be rubber goods, gaskets, shims and shields, screen assemblies. I say anything that has to do with the parts that go into the build up of helicopters.

Q. These parts are to be used in manufacturing here at the Buffalo area?

A. Right. When they are assembled they go to Texas where the final assembly takes place.

Q. Where do these requisitions come from for these parts?

A. Most of the requisitions, and this is my guess, about 95% come from Material Control.

MR. WINCH: Now, I object and move to strike that part of the question as a guess. If the witness does not know, I wish that he would say so. I object to the answer.

THE WITNESS: I will say—

HEARING OFFICER: Just a minute.

MR. LARACY: Wait a minute. This is his job. I think he can testify.

HEARING OFFICER: Mr. Winch, your objection is to the way the question was phrased or to the witness' response?

MR. WINCH: To the witness' response.

HEARING OFFICER: Let me instruct the witness

to answer the questions to the best of your knowledge and belief. If [213] there is something you do not know or something you are not sure of, you know, just say so. On that basis I believe that will handle the objection.

THE WITNESS: Okay. Then if I may, I would like to change the percentage and say 75% of my workload. At least 75% is composed of helicopter requirements.

Q. (By Mr. Laracy) And these requisitions for these parts for the helicopter program come from the Material Control Department?

A. The 75% that I mentioned come from the Material Control Department plus others.

Q. On what percentage of that 75% does the Material Control Department designate a vendor?

A. These are all repetitive items. And you've got to remember that there have been some changes incorporated over the years, but these are repetitive items and therefore all they refer to is the previous purchase order.

Q. When you do select a vendor how do you do selecting—how do you select a vendor?

A. By an RFQ really. This is a Request For Quotation that goes out to at least three different supply houses, if I can use the words "supply houses."

HEARING OFFICER: Who selects the three supply houses?

THE WITNESS: I do. I have that choice.

HEARING OFFICER: All right.

[214] THE WITNESS: Now, all things being equal, the lowest of the three would get the order.

HEARING OFFICER: Who makes that determination?

Do you determine if all things are equal?

THE WITNESS: Being delivery, terms, and conditions.

HEARING OFFICER: Do you make this qualitative comparison? In other words, you have your quotes in front of you, your prices. Do you qualitatively compare the vendors to determine things such as the possible—maybe I shouldn't use the word "qualitative". Do you compare delivery schedules, reliance and so forth?

THE WITNESS: The past history of the supplier.

HEARING OFFICER: You do that on your own?

THE WITNESS: Yes. But here again most all the packages I solicit my supervisor knows how.

HEARING OFFICER: What do you mean by that?

THE WITNESS: Well, he has X number of years experience.

HEARING OFFICER: How do you do it?

THE WITNESS: I walk over to his stall and say, here, Bill; I've got something here we can save ten cents a piece on? What do you think of the setup?

HEARING OFFICER: And?

THE WITNESS: And as a rule, why he can accept my selection for anything under $5,000.

[215] HEARING OFFICER: All right.

Q. (By Mr. Laracy) How do you pick a supplier? If I wanted to order—production control might want to order $5,000 ashtrays and they sent the requisition. How do you pick a supplier of ashtrays?

A. Here again I said most of the items that hit my desk are repetitive. If they were new I would solicit the know how of more experienced buyers. I could use a Thomas Register or Conover for recommendation purposes. There are always recommendations that come with brochures and facility lists. I would check those too.

Q. You can only act on requisitions that are supplied to you; is that right?

You have to have a requisition in order to purchase anything?

A. Yes.

Q. It seems to be very well established any purchase over $5,000 has to be authorized by higher authority; is that right?

A. I do have to get a signature or an approval, right.

Q. And purchases under $5,000 are there occasions when you have discussions with your supervisor or higher authority before you put through the purchase order?

A. Yes.

Q. Could you give us examples?

[216] A. Under $5,000—and this is a repetitive item and this is just in the making right now. It is a screen assembly we buy from—a wire cloth screen assembly

that we buy from a supplier in Bellwood, Illinois. He jacked his price up $10.00. It was from approximately $46 to $56. This is quite a drastic increase in price. So, I brought this to my supervisor's attention. It only amounts to about $3200, which says I can make my move without any restriction. As a precautionary measure I still discuss this with my supervisor.

HEARING OFFICER: Do you have to?

THE WITNESS: I did not have to.

Q. (By Mr. Laracy) Are all purchases final? Do all purchases, even under $5,000, go through the supervisor's hand before they are actually sent out in the mail?

A. I am not sure I understand that question.

Q. Does your supervisor see all the purchase requisitions that pass through your hands?

A. Yes, he does in this respect, that after or prior to or upon receipt of a purchase requisition it is my supervisor, if this particular requisition belongs or is slotted into our group, who assigns a buyer to that particular requisition. After the order has been formalized and a purchase order number has been assigned the supervisor checks it prior to it going into the typing pool where it becomes formalized. [217] So, to answer your question, yes.

I am assuming that he has done this on most of them. When he is not there somebody else does it or sometimes it may by-pass him. That is the procedure as it is set up in our group. It has to be put on his list or submitted to him through the group.

We have a check off list. He also has the bills that have been submitted. He looks them over for phraseology or whatever is lacking. He then forwards it or tells the girl to take it out to the typing pool.

Q. What is a "check off list"?

A. Not a check off list exactly. Under $5,000 there is no check off list. Above $5,000 there is a check off list.

Q. How many buyers are there approximately?

A. Well, as of yesterday it was twenty-five.

Q. How many supervisors are there for these twenty-five buyers?

A. This is the strange part to me. There are eight supervisors, not counting the two cost analysts.

HEARING OFFICER: Excuse me. There are two what?

THE WITNESS: Eight supervisors for the twenty-five buyers. If you start from the top and work down to—

HEARING OFFICER: How high are you going for the top?

THE WITNESS: Mr. Seitz, who is the head, Mr. Cleveland, who is next, purchasing agent, Chuck Rae, Mr. Folker, Mr. Muni, [218] which accounts for five, Mr. Hamann, who is my boss and in charge of my particular section, Mr. Koningisor, who is in charge of another group, and Mr. Wing, who is in charge of the other group.

HEARING OFFICER: There are many of them in accordance with that organizational chart we have, right?

THE WITNESS: Right.

If I may elaborate on that, on any order over $5,000 any combination of five people could hold up the order, any combination of five supervisors. Let's make that four supervisors and the cost analyst could hold up my order.

HEARING OFFICER: For over $5,000?

THE WITNESS: For over $5,000.

Q. (By Mr. Laracy) What is the cost analyst's function in the purchasing department?

A. He reviews the buyer's package, assuming here it is over $10,000.

HEARING OFFICER: Only if it is over $10,000?

THE WITNESS: If it is over $10,000.

HEARING OFFICER: Does he have any veto power or does he look it over for accuracy and so forth or what?

THE WITNESS: When you say "veto power", can he hold it up in any way?

HEARING OFFICER: Can he overrule the buyer in any way?

[219] THE WITNESS: There have been occasions where he refused to sign because he was not in com-

plete accord with the data in this particular folder with regards to this particular purchase.

HEARING OFFICER: Like what? Can you explain that?

THE WITNESS: Well, a vendor submitted a price in essence composed of four different items, the actual cost to make the part. His so-called G and A—and Mr. Seitz went into this in his testimony, general administrative cost, his so-called overhead and the profit factor. He may take exception to any of these. There have been occasions—

HEARING OFFICER: The analyst may?

THE WITNESS: Right.

HEARING OFFICER: I think we went into this where the analyst may even go in and audit the books of the vendor.

THE WITNESS: The audit is done by the so-called chief negotiator. On the chart it's Mr. Huber or one of his people.

HEARING OFFICER: The cost analyst stays at the Bell Plant pretty much?

THE WITNESS: To the best of my knowledge. I don't know of the cost analyst ever going out.

HEARING OFFICER: Okay.

Q. (By Mr. Laracy) Mr. Nolan, I would like to show you [220] Company's Exhibit No. 9, Employer's Exhibit No. 9, which is commitments by buyers. Would you look at that?

A. Yes.

Q. Now, on the left-hand side there is a column commitments under $5,000?

A. Right. This is one here where if memory serves me right, Mr. Seitz mentioned. This is a good example of the latitude of the buyer because he needed no signature for the seven million dollars that has been committed on this particular piece of paper.

Q. Mr. Nolan, what are blanket orders?

A. Well, I don't get into them, but my understanding is it is an order that has been written up, agreed to price wise, delivery-wise, set up once a year.

Q. These orders are supplemented as the supply and demand requires?

A. The requirement may be.

Q. Is it one purchase order at one price and supplemented?

A. There could be from to many, many items on the purchase order.

Q. Would you say a fair portion of this money on the left-hand side could be blanket orders that have been set up?

A. Here again I do not have access to the company's file and I cannot get EDP runs. I can't answer that.

[221] Q. What are small dollar value purchases?

A. Small dollar purchases, well, I have had them from $15 and up. I have handled some from $15 and up.

Q. Would that be purchases under $1,000?

A. I consider $15 under $1,000, yes.

Q. Are there many purchases under $1,000, $1,000 or less?

A. Yes. When I saw this I was fairly well shaken up because I have seen a report—now I am bringing to your attention this particular Exhibit No. 9 says from January '69 through July of '70. That's eighteen months. Now, I have seen a report for '69 where the total orders committed—and I am trying to remember. I don't have it here. It's in one of those folders. But a total of 21,000 orders were placed during the year of '69. 19,000 approximately now—19,000 of the 21,000 orders that were placed in '69 were under $1,000. 19,000 of 21,000 were under $1,000.

The point I am trying to prove here is these were more or less cut and dry repetitive items.

HEARING OFFICER: Who prepared this report?

THE WITNESS: One of the supervisors.

HEARING OFFICER: Is it an official company document?

THE WITNESS: It is an official company document —I mean departmental document. I am imagining the powers that be did get a copy of this. I seem to think this is the way it works from the way our activity report works.

[222] Q. (By Mr. Laracy) Was this an activity report for 1969?

A. From one of the supervisors to his higher supervisor.

Q. What are data phone contracts?

A. Here again this is not my field. I do not get into this. By the way, I have seen its operation. If there is anyone on either side that wants to correct me, okay. It is a piece of paper about the size of this pad that has spelled out on it the parts number and the quantity which is fed into a computer. The supplier at the other end is alerted and he sets this electronic device going. And it's a girl that does this. One of the secretary's sends it through the computer and it registers at the supplier's place of business, meaning he had an order for whatever the item is on that piece of paper.

Q. Where does the girl get that piece of paper?

A. I don't know. It comes from some place. I really don't know.

Q. Now, Mr. Nolan, I would like to show you Employer's Exhibit No. 10, which is a purchase requisition input to procurement. On the left-hand side they have the number of requisitions initiated by Local 1286, and on the right-hand side they have purchase requisitions initiated by twenty-six other sources. Would you look at that for one second?

[223] A. I would have to pass. I really—I couldn't possibly.

Q. I would like to ask you this question. The requisitions, there are 5,050 requisitions processed by Local 1286 members and other sources 10,927. However dollar value-wise, who would comprise the greatest dollar value there, the requisitions from the machine department, tooling department and production or these miscellaneous requisitions?

A. Well, if I may, in 1968, and I am a buyer Class 2, I placed, according to interoffice memos, $1,200,000 worth of business. I would say here again that—now he is going to ask me how I know. I don't. I just have to go by what is on my desk.

MR. WINCH: If the Hearing Officer please, if he doesn't know I object to him answering the question.

THE WITNESS: The 120,000—

HEARING OFFICER: Wait, There is an objection. Do you know the dollar value that you handled?

THE WITNESS: I know the dollar value that I handled, yes.

HEARING OFFICER: Do you have knowledge of what the total department's dollar value was?

THE WITNESS: Total departments?

HEARING OFFICER: Yes.

THE WITNESS: If I have it here, I will testify.

HEARING OFFICER: Let's go off the record.

[224] (Discussion off the record)

HEARING OFFICER: On the record.

So, off-the-record we discussed it a little bit and you, Mr. Witness, indicated that you could not testify with respect to the question Mr. Laracy asked of you?

THE WITNESS: To this extent, right. I couldn't tell you the total dollar value of either the left or right hand side percentages.

HEARING OFFICER: Referring to Employer's Exhibit No. 10?

THE WITNESS: Right, yes.

HEARING OFFICER: With that in mind I will sustain your objection.

Q. (By Mr. Laracy) Do you have any contact with buyers in Texas?

A. I have to get the permission of the program manager before I can contact anyone in Texas.

HEARING OFFICER: By "anyone in Texas" you are referring to Bell Helicopter?

THE WITNESS: Right.

HEARING OFFICER: You are free to contact other vendors in Texas though if the need should arise?

THE WITNESS: Right.

Q. (By Mr. Laracy) Have you had occasion to contact buyers in Texas?

A. Yes, with the program manager's permission I talked to [225] buyers in Bell Helicopter.

Q. You say most of the parts you purchase are for the helicopter program which eventually winds up in Texas?

A. As sub assemblies. Oh, if I may, or spares.

MR. LARACY: The Petitioner would like to enter now its Exhibit 18 which is the index of departmental job instructions.

(The document above-referred to was marked Petitioner's Exhibit No. 18 for identification)

Q. (By Mr. Laracy) Would you look at this?

HEARING OFFICER: This is marked Petitioner's Exhibit No. 18 and it is a departmental job instruction, Number 121-001.

Q. (By Mr. Laracy) What is this departmental job instruction index?

MR. WINCH: What was the question?

MR. LARACY: What is this departmental job instruction index which is Petitioner's Exhibit 18.

MR. WINCH: This has not been offered in evidence?

HEARING OFFICER: Well, you have gotten it marked as an exhibit.

MR. LARACY: The Petitioner moves to have P 18 introduced into evidence.

MR. WINCH: Would you give me a minute to read it? I am trying to see what it is.

[226] HEARING OFFICER: All right.

MR. WINCH: No objection.

HEARING OFFICER: Hearing no objection then, Petitioner's Exhibit No. 18 is received into evidence.

(The document above-referred to, heretofore marked Petitioner's Exhibit No. 18, was received into evidence)

Q. (By Mr. Laracy) Mr. Nolan, what is the departmental job instruction index?

A. Well, it seems to me, in my personal opinion we get bombarded with all kinds of instructions. This is just what this is, memos. In other words, what I am trying to say is our particular job is pretty well spelled out for us.

MR. WINCH: Well now, I object to the answer and ask it be stricken as not responsive.

HEARING OFFICER: Sustained. But would you repeat the same question? You asked him to identify what this was; is this correct?

MR. LARACY: Yes.

HEARING OFFICER: Can you identify this document?

THE WITNESS: It is what he said it is, a departmental job instruction sheet.

HEARING OFFICER: Could you be more specific?

THE WITNESS: Evidentally this is the index, the master index.

[227] HEARING OFFICER: Is this an index to all the departmental job instructions that you have received?

If you were to keep this in a book would this be considered an index of this book?

THE WITNESS: I notice there is one that has been left out. Basically, yes, this is what I would keep in my book.

Q. (By Mr. Laracy) Is there a series of instructions issued for everyone of these series, such as 121-001?

A. Instructions? I don't know if that's the right word.

Q. Or procedures?

A. Procedures possibly, yes.

Q. For everyone of these series there are sets of procedures or instructions set up which pretty much confine the buyer?

MR. WINCH: Well, I object to that as calling for a conclusion.

HEARING OFFICER: Would you rephrase your question, please, Mr. Laracy?

MR. LARACY: It is a departmental job instruction.

HEARING OFFICER: Right. Mr. Laracy, could you perhaps ask your questions without a conclusion?

Q. (By Mr. Laracy) Let me show you Employer's Exhibit No. 12, which is 121-300. That is Employer's Exhibit 12. Now, looking over to Petitioner's Exhibit No. 18, is that the [228] set of instructions, that 121-300, advance commitments?

A. No. The one you just handed me, 121-300 from a fast reading does not refer to advance commitments. The departmental job instruction sheet—

HEARING OFFICER: Excuse me. May I see that for a moment?

THE WITNESS: Yes, sir.

HEARING OFFICER: Employer's Exhibit No. 12 is entitled Preparation For an Initiation of a Sub Contract. According to Petitioner's Exhibit 18, 121-300 relates to several other areas it seems.

MR. LARACY: I think that 121-300, E 12, is part of these instructions which is listed on the master index as 121-300.

HEARING OFFICER: I see.

Q. (By Mr. Laracy) What I am trying to get across is is there a booklet or manual of job instructions that are issued to the buyer?

HEARING OFFICER: You may answer that, sir.

THE WITNESS: Once again please?

Q. (By Mr. Laracy) Is there a booklet or manual issued by the company to the buyers?

A. Well, all—

Q. To guide in—to guide you in your—in the performance of your duties?

[229] A. Yes, it is.

HEARING OFFICER: Is Employer's Exhibit No. 12 an example of this?

THE WITNESS: Of those instructions, yes.

HEARING OFFICER: Did you have any further questions with respect to E 12?

MR. LARACY: No. I have one more exhibit and I think that will be the last. This will be Exhibit—

HEARING OFFICER: Excuse me.

Just as a general rule or as a general statement, do the instructions such as Employer's Exhibit No. 12 and other such departmental job instructions, or they very rigid? I mean, do they cover you step-by-step or every step you take or are they statements of policy or general instructions as to how you might go about performing your job or specific task?

THE WITNESS: Statements of policy? I would have to say yes. The next part was . . .

HEARING OFFICER: Do those instructions guide you step-by-step for every action you take or in your

opinion as a buyer would you be free to exercise your own judgment?

THE WITNESS: They do guide you for procurements above $10,000.

HEARING OFFICER: Those instructions guide you for procurement above $10,000?

[230] THE WITNESS: Yes.

HEARING OFFICER: Would they have any applicability for procurement above $10,000?

THE WITNESS: Yes.

HEARING OFFICER: Would they have any applicability for purchases under $10,000? Let's say under $5,000.

THE WITNESS: I really don't remember. I would have to check this book of instructions.

HEARING OFFICER: All right.

MR. LARACY: I think this will be our last exhibit. I would like to introduce Petitioner's Exhibit No. 19.

(The document above-referred to, was marked Petitioner's Exhibit No. 19 for identification)

Q. (By Mr. Laracy) Would you describe that exhibit, Mr. Nolan?

A. I have never seen one of these before until this so-called meeting of the minds or a day or two prior to—but this is in reference to one of my co-workers who is a senior buyer. From what I can pick up these are items that the buyer has a right to do or perform. The three here—he is allowed to make long distance telephone calls—that are checked off—and he is entitled to a material and package pass-permanent, and he is allowed to make material shipping orders.

HEARING OFFICER: Have you ever seen one of these four?

[231] THE WITNESS: I have not. I imagine there is one in the record for me or this must have been filed because here again it is a company procedure or form.

HEARING OFFICER: But you do not know for sure, is that correct, that there is one made out for you?

THE WITNESS: I don't know. I say this particular

one, referencing this particular buyer is the only one I have ever seen.

HEARING OFFICER: Do you have to obtain permission to make long distance phone calls?

THE WITNESS: No.

HEARING OFFICER: Do you know what a material and package pass is?

THE WITNESS: Yes. I myself has to get a pass now in order to carry anything out.

HEARING OFFICER: To carry anything out of the plant?

THE WITNESS: No, wait, I better—kill that. My badge says I can do it. Material and package pass . . . material and package pass. Well, this one here—like I said, I have never seen this. Actually it does not register with me right now.

HEARING OFFICER: Say—you say your badge authorizes you to carry packages through the gate at the company?

THE WITNESS: It authorizes me to carry—technically I may not get this phrase right. My badge says I can take work home with me.

[232] HEARING OFFICER: I see. Do you know what a material shipping order is?

THE WITNESS: This I do know because I make a lot of those. A material shipping order is just a piece of paper that alerts the so-called people on the floor that procurement would like to get out of the plant for various reasons certain items, whether it is Bell furnished material for the vendor to work on or tooling on loan or some such thing. I make that out. Of course here again all I do is make out a material shipping order and it is processed through the material control group.

HEARING OFFICER: Okay.

MR. WINCH: If that is offered—is that offered in evidence?

HEARING OFFICER: No. Correct me if I am wrong. I don't think Petitioner's Exhibit 18 has been offered in evidence either, has it?

MR. LARACY: Yes.

MR. WINCH: 19 I object to. I don't see where it has any relevance.

MR. LARACY: Now I would like to offer it. I will get it on the record.

HEARING OFFICER: Pardon?

MR. LARACY: 18 is entered?

HEARING OFFICER: 18 is received. How about 19?

[233] MR. LARACY: I would now like to enter into the record Petitioner's Exhibit No. 19.

MR. WINCH: That I object to. I don't see the relevance.

THE WITNESS: Can I speak on that?

HEARING OFFICER: On what, No. 19?

THE WITNESS: On No. 19.

HEARING OFFICER: Yes, go ahead.

THE WITNESS: Well, the reason I would like to just mention this is the fact it's been said the buyer has so much latitude. Mr. Seitz mentioned the girl and the expeditors are more or less—I may not have the phraseology—under the supervision—and this could be the wrong word—of the buyer. Here again I cannot give any secretary a pass to go home early.

HEARING OFFICER: Well, wait. I thought maybe you could explain what P 19 is. To be honest, I am not sure what it is.

MR. LARACY: I will withdraw that.

HEARING OFFICER: You will withdraw it?

MR. LARACY: I will withdraw Petitioner's Exhibit No. 19 from the record.

(The document above-referred to heretofore marked Petitioner's Exhibit No. 19, was withdrawn)

Q. (By Mr. Laracy) Mr. Nolan, are you familiar with your fringe benefits?

[234] A. Fairly well, yes.

Q. Are your fringe benefits basically the same as salaried employees in Local 1286?

A. I have taken the liberty to check this out and I would say yes.

Q. Are there any differences that you are aware of?

A. Well, there is only one that upsets me and this

is the fact, if I remember correctly, they get time and a half for overtime, being salaried and in purchasing, and I do not.

Q. Do you receive time and a half for overtime should you work overtime?

A. It's been so long since I have had any I honestly couldn't say.

Q. Should you work overtime who would give you authority to work?

A. It would have to come from either Mr. Seitz or Mr. Cleveland I seem to think. Here again with the eight supervisors I do not know who would authorize this.

Q. But they would have to give you authority to work in order for you to get paid for overtime whatever the rate of overtime pay is?

A. I would have to get it from some supervisor, right.

Q. What is your salary?

A. Including the last merit raise which I just got [235] I was notified yesterday, it's $218. I am a Class 2 Buyer.

HEARING OFFICER: $218 a week?

THE WITNESS: Yes, sir.

Q. (By Mr. Laracy) Were you aware of the "top rate" of your salary before this hearing?

A. Surprisingly no.

Q. Were you aware of the fact there was a company policy "top rate" and also a natural top rate before the testimony?

A. No, not really.

Q. Where do you park out at the plant, Mr. Nolan? Is there a special parking lot for managerial employees?

A. With the rest of the employees whether they are in manufacturing or in the administrative building. It's the same parking lot. Of course they have three or four.

Q. There's no special parking lot for buyers?

A. Not that I am aware of.

HEARING OFFICER: Is there a special area?

THE WITNESS: None that I know of.

Q. (By Mr. Laracy) How about lunch rooms, Mr. Nolan? Is there a special lunch room for buyers or managerial employees?

A. A special area. They do have a private lunch or dining room.

Q. Do you eat there?

A. No, I eat in the lunch room when I eat in.

[236] Q. Do you have a college degree, Mr. Nolan?

A. No, sir.

Q. When there is an open requisition for buyers, is the policy to promote employees from the lower occupations or hire employees off the street?

MR. WINCH: I would like to have that repeated.

Q. (By Mr. Laracy) When there is an open requisition for a buyer is it the policy to promote employees from a lower occupation in the purchasing department or—

A. I am trying to remember Mr. Seitz' testimony. He said promotions or upgradings come from within.

HEARING OFFICER: Is that true to the best of your knowledge?

THE WITNESS: That is true to the best of my knowledge.

Q. (By Mr. Laracy) To your knowledge, how many of the buyers have college degrees?

A. Once again please?

Q. Do you know how many buyers have college degrees?

A. To my knowledge there is only one that has a college degree.

Q. Should you have an occasion to go off for an extended lunch period, would you need a special pass?

A. Yes.

Q. If you leave the plant early would you need a special pass?

[237] A. Yes, sir.

HEARING OFFICER: What is the purpose of the pass? Is this because of security?

THE WITNESS: You are entertaining a supplier or he is entertaining you, depending on who picks up the check. And the lunch room being or the place that we go being crowded, there are occasions when you cannot get back in a half hour. The service isn't that good.

HEARING OFFICER: Is the pass a security pre-

caution at the gate or is it to authorize you to take a longer than a half hour lunch break?

THE WITNESS: Well, it is a security pass and also an authorization to have a longer lunch.

HEARING OFFICER: Who gives you this pass?

THE WITNESS: My supervisor. I have to request this.

HEARING OFFICER: Which supervisor?

THE WITNESS: My particular supervisor is Mr. Hamann. If he isn't around then I have to see if I can pick out one of the eight other supervisors to okay it.

Q. (By Mr. Laracy) Do you do most of the follow-up work after an order is placed?

A. No. My expeditor does most of my follow-up. I get involved if any problem should arise, delivery, trouble of any source, or by special request of my supervisor to stay with it.

[238] HEARING OFFICER: Excuse me. You used the term "my expeditor"?

THE WITNESS: We have expeditors or there are expeditors assigned to buyers.

HEARING OFFICER: And you have an expeditor or expeditors assigned to you?

THE WITNESS: Well, they are not assigned to me specifically but they do handle my work.

HEARING OFFICER: I see. Do they act upon your instructions? Do you tell them what to do?

THE WITNESS: I try to keep them on the ball, yes.

HEARING OFFICER: What does that mean?

THE WITNESS: Meaning I would appreciate it very much if you would call them because I have been getting a little heat from material control.

HEARING OFFICER: If you didn't tell them to do this would they do it on their own?

THE WITNESS: They are supposed to.

HEARING OFFICER: I see.

Q. (By Mr. Laracy) Do you have any say in make or buy decisions, whether they are going to make or buy, inside make or buy a part?

A. Whether we make it inside or buy a part?

Q. Right.

A. I can only recommend.

[239] Q. Are these decisions made by other departments in many instances?

A. They are supposed to be made before the requisition hits our department.

Q. So, in most cases the determination is already made?

A. To the best of my knowledge.

HEARING OFFICER: But you have made recommendations to deviate from what the requisition suggests?

THE WITNESS: Yes, because I have made recommendations to keep work in the house.

HEARING OFFICER: To whom do you make this recommendation?

THE WITNESS: Well, the last one I am thinking of is Mr. Bob Wilson, who is Program Manager for anything that has to do with Bell Helicopter parts.

HEARING OFFICER: Okay.

Did you make this recommendation to him after you had obtained permission from your supervisor?

THE WITNESS: Mr. Hamann, My Supervisor, and myself went in and talked to Mr. Seitz with regard to so-called outside make or outside procurement.

HEARING OFFICER: Was this a meeting?

THE WITNESS: You might call it that, in Mr. Seitz' office.

HEARING OFFICER: Was the decision made at that time?

THE WITNESS: The decision to notify Mr. Wilson of our [240] recommendation?

HEARING OFFICER: Yes.

THE WITNESS: Yes, to the best of my knowledge.

HEARING OFFICER: Did you actually go and talk to Mr. Wilson?

THE WITNESS: We have what we call inter-office memos. Unfortunately I do not have a copy in my files of that memo where I asked Mr. Wilson to check to see whether it was feasible or wise to do this in the house.

HEARING OFFICER: Did you draft that memo to Mr. Wilson?

THE WITNESS: I am trying to remember. I seem to think I did.

HEARING OFFICER: Do you ever sit in on management meetings where decisions like this might be made or—

THE WITNESS: With regard to inside make or outside buy?

HEARING OFFICER: Right.

THE WITNESS: I never sat in on a meeting of that sort.

HEARING OFFICER: Do you ever sit in on any other policy making meetings?

THE WITNESS: Policy making meetings I have never sat in on.

HEARING OFFICER: Neither departmental meetings or [241] anything?

THE WITNESS: Policy making meetings I have never sat in on. I attended meetings with regard to particular programs.

HEARING OFFICER: Were these like briefing sessions?

THE WITNESS: Review.

HEARING OFFICER: Would they be considered management meetings or more work related meetings?

THE WITNESS: Well, if I understand your phraseology correctly, I would say a work type sort of meeting, whether or not per hour line or chart or scheduling we were holding our own with regards to in house requirements.

HEARING OFFICER: Okay.

Q. (By Mr. Laracy) Mr. Seitz in his testimony mentioned that a class 2 Buyer, a new hire, or new Class 2 Buyer, could be effective in two weeks. Do you agree with this statement?

A. "Effective", that takes in an awful lot of ground. He would have to be led, but I do not think he would be a managerial type of person at this particular stage.

Q. Two weeks?

A. Two weeks.

Q. Do you think it takes longer than two weeks?

A. To get oriented to the system at Bell, yes, it would definitely.

Q. Now, Mr. Nolan, the company has testified that the [242] potential top rate of Buyer Class 2 is $219 and they

also testified that the expeditors' salary, top rate, is $219. Would you explain how the one that does the buying and the one who follows up receives the same or has the same top rate?

MR. WINCH: I object to that as being beyond the witness' knowledge and calls for a conclusion. I object.

HEARING OFFICER: Sustained. I think the record will have to speak for itself on that point, Mr. Laracy.

Q. (By Mr. Laracy) Were you aware of the fact the buyer Class 2 potential top rate was $219 before this hearing?

A. Prior to the first meeting I was not aware of that. Pardon me, I seem to think I said prior to this meeting. Prior to the first meeting I was not aware of that.

HEARING OFFICER: You mean meeting or hearing?

THE WITNESS: The hearing here. I wasn't aware of it.

Q. (By Mr. Laracy) You were not aware of the top rate before last Friday's hearing; is that right?

A. I think it was. Was it last Friday?

Q. Yes.

A. Right.

Q. Before last Friday were you aware of the fact the expeditors top rate was also $219?

[243] A. No, I was not. I was shocked.

Q. Were you aware of the fact that the Senior Buyers actual top rate was $271?

MR. WINCH: Now, again I object, if the Hearing Officer please, on the grounds I cannot see the relevancy of this line of questioning to this investigation.

HEARING OFFICER: Well, not only that, Mr. Laracy, I think he already answered that question.

THE WITNESS: I was not aware of any of the rates.

HEARING OFFICER: So, I will sustain your objection. I think you already asked him if he was aware of the various price ranges . . . I'm sorry, wage ranges?

Q. (By Mr. Laracy) Could you explain to me why a Senior Buyer would have a highter top rate than a cost analyst and yet the cost analyst has higher authority to purchase than the Senior Buyer?

MR. WINCH: I object to that question. I do not think

it is withn the scope of the wtness' knowledge It calls for testimony that he is unable to give.

MR. LARACY: That's all the questions I have.

HEARING OFFICER: All right.

MR. WINCH: I am looking at—

HEARING OFFICER: Excuse me, Mr. Winch. The Reporter would like to take a break for five or ten minutes. Why don't we take five?

[244] MR. WINCH: As a matter of fact, I have just a couple of questions. I can finish up with him and then it will be time for us to have our consultation and resume the case. I have very little to ask.

HEARING OFFICER: Let's do that.

CROSS-EXAMINATION

Q. (By Mr. Winch) One of the questions, I notice that this exhibit No. 6, Employer's Exhibit No. 6 which you had is dated January 1st, 1944?

A. Right.

Q. Okay.

HEARING OFFICER: Which exhibit is this, Mr. Winch?

MR. WINCH: Exhibit No. 6. I don't think that was what I was interested in. I was interested in the last one.

Q. (By Mr. Winch) Reference was made in your testimony to Class 1 Buyers.

A. According to that job description.

Q. Is it in this job description? This is dated January 1st, 1944. My question to you is whether you have ever known of there being any Class 1 Buyer during the time that you were at the plant?

A. Mr. Seitz—I am trying to answer this to the best of my ability. But in Mr. Seitz' testimony he made mention that procurement functions have changed drastically over the years.

[245] Q. My point is really this; isn't it true that a Class 2 Buyer is a higher category in the hierarchy of employment than a Class 1, that everybody is in Class 2 or is a Senior?

A. No, I cannot, because Class 1 might just be the opposite.

MR. LARACY: I object, I don't think there is a Class 1.

THE WITNESS: No, I don't think there is.

MR. WINCH: That was my first question.

HEARING OFFICER: The answer to that is you never heard of a Class 1 Buyer?

THE WITNESS: No, sir. As a matter of fact, I didn't know what I was. I just thought I was a Junior Buyer until this.

Q. (By Mr. Winch) In the early part of your testimony you testified that a high percentage of orders were repetitive. Were you thinking in terms of the helicopter program in which you participated?

A. I was generally speaking—speaking generally, meaning AM parts and MS parts and nuts and bolts, almost everything including the so-called minute man program, that PBPS, outside of the three items Mr. Seitz made mention of were possibly the four that he had the chart on. And this is the—I've got it marked here somewhere. I forget what they are because they are brand new to me. That is the reason I [246] wrote them down. I am not—there is an actuator of some sort, a cable assembly of some sort, and one other item . . . of, a shell.

Q. You are not particularly familiar with the Minute Man program?

A. Yes, sir, I am. I have fourteen or fifteen line items that go into the making of the Minute Man items.

Q. One last question. There is no requirement, is there, that you consult your supervisor in placing orders of less than $5,000?

A. Here again I would have to check the departmental job instructions to be sure that my answer is correct.

HEARING OFFICER: Have you ever?

THE WITNESS: Have I what?

HEARING OFFICER: Have you ever been told that you have to check for purchases under $5,000?

THE WITNESS: Have I ever been told that I have to check with my supervisor?

HEARING OFFICER: Before you make a purchase under $5,000.

THE WITNESS: I am not trying to be funny, but I have been told so much it's hard to remember what I was told and what I was not.

HEARING OFFICER: Do you customarily or ordinarily check purchases under $5,000 with your supervisor?

[247] THE WITNESS: Not if the price holds or if it is better than the previous price, if the price holds or if it is better than the previous price. This again is under a $5,000 package.

Q. (By Mr. Winch) In other words, you do not feel that you are required to submit all of your under $5,000 orders to your supervisor?

A. I think this is the reason for my success, the fact that I take it upon myself to check with the supervisor. My record will speak for the—will back up this, that I go to extremes to make sure I get the best possible deal for the company.

Q. You prefer to check with the supervisor although you are not required to; isn't that true?

A. I prefer to check with my supervisor, yes. I do prefer to check with my supervisor.

Q. It is for that reason that you consult him rather than any requirement that you are aware of?

A. I see—here again I would have to check my departmental job instructions to find out whether or not this is a requirement or not a requirement. But somewhere I seem to think that regardless of the package sometimes you have to. There are spot checks or some such thing. I forget. But I have to check to make sure my answer is correct.

HEARING OFFICER: If your departmental job instructions [248] state that you do not have to—let me rephrase that. If your departmental job instruction said that you did not have to check with your supervisor before making purchases of $5,000, if they did not—

THE WITNESS: If they do not?

HEARING OFFICER: If the instructions say that you do not have to check are you aware of ever being told anything that would in any way change those instructions?

Have you ever been told to disregard departmental job instructions and check before you make purchases of $5,000 or less?

THE WITNESS: To disregard instructions?

HEARING OFFICER: Right.

THE WITNESS: I have never been told to disregard instructions to the best of my knowledge.

MR. WINCH: That's all.

REDIRECT EXAMINATION

Q. (By Mr. Winch) To your knowledge do other buyers check with their supervisors on occasions on purchases under $5,000?

A. I can only speak for myself.

Q. On talking to your supervisor then on some of these purchases under $5,000 has the supervisor ever told you look, you don't have to check with me on these items?

A. He may have. I don't remember.

[249] MR. LARACY: That's all I have.

MR. WINCH: No further questions. I hope we haven't tired the Reporter.

HEARING OFFICER: Off the record.

(Discussion off the record)

HEARING OFFICER: Back on the record.

The Witness may step down.

(Witness excused)

HEARING OFFICER: We will now take a five-minute recess.

MR. WINCH: You said five minutes?

HEARING OFFICER: Yes.

MR. WINCH: Give us a little more, about ten.

HEARING OFFICER: All right.

(Short recess taken)

HEARING OFFICER: On the record.

Mr. Winch.

MR. WINCH: I will recall Mr. Cleveland.

Whereupon,

HARRY W. CLEVELAND

was recalled as a witness by and on behalf of the Employer and, having previously been duly sworn, was examined and testified as follows:

HEARING OFFICER: You are still under oath, sir.

DIRECT EXAMINATION

Q. (By Mr. Winch) Mr. Cleveland, I refer you to Petitioner's [250] Exhibit No. 14, consisting of four sheets which appear to be a combination purchase requisition, purchase order, and receiving report. And I ask you to explain why those were used.

A. The Exhibit P 14 illustrates a simplified purchase requisition/purchase order form. And it is specifically designed as a work simplification means. As noted on here, the purchases are generally of a low magnitude. For example, Page 1 of this particular exhibit is for $2.50, Page 2 is for $3.60, Page 3 is for $12.30, Page 4 is for $1.21.

As I indicated, it is a work simplification method in which the requisitioner provides some of the pertinent information as to what he wants to buy. He recommends or suggests as indicated in these various exhibits the possible source for these particular commodities. And in all instances the buyer commits the order to a vendor of his own selection. On this particular exhibit the buyer has committed other than the sources as recommended.

HEARING OFFICER: Excuse me. Referring to Page 1 for example, the suggestion—the suggested source on that was Starett?

THE WITNESS: That is correct.

HEARING OFFICER: And was Cramer-Case the company with which this order was placed?

THE WITNESS: That is correct?

[251] HEARING OFFICER: All right.

Q. (By Mr. Winch) How extensively is the form used in terms of dollars?

A. Generally on all relevant and significantly low-priced items where two things are paramount, one is we need the thing in a hurry, that's number one. Number

two, the price is relatively inexpensive as indicated on these particular exhibits.

Q. When you say small price on this or insignificant price, can you give us some idea as to the actual dollar limitations you might be guided by?

A. I would say the preponderance of items fall within the under $100 sort of category, although in some instances we have used this form to expedite the placement of material up to about $250.

HEARING OFFICER: Before we leave this document, sir, let's go on to Page 2. Jergens was the suggested vendor?

THE WITNESS: Yes, sir.

HEARING OFFICER: Is the Eden Industrial Sales Company, is that a different vendor from Jergens?

THE WITNESS: Yes, it is. This vendor is different from Jergens, although I want to qualify it, they are the distributor.

HEARING OFFICER: Who is, Eden?

THE WITNESS: Right.

[252] HEARING OFFICER: How about Page 3, Ace Bushing?

THE WITNESS: Ace Bushing, they are the manufacturer of the item as called out. Godfrey & Cercone is the distributor. I might add—

HEARING OFFICER: Would this be a different vendor than?

THE WITNESS: Yes, sir.

HEARING OFFICER: In other words, you could either purchase this right from Ace Bushing but you chose to go to Godfrey & Cercone?

THE WITNESS: That's right, for two reasons obviously? The availability is much greater normally through a distributor, and, secondly, there is more than one distributor for Ace Bushing. What this does not show is whether or not there was any particular research on the part of the buyer to make sure that he met the requirement date. In this case I am saying the date or requirements are more paramount than the particular price.

HEARING OFFICER: Would this decision for example to go to Cramer-Case instead of Starrett, would that determination be made by the buyer?

THE WITNESS: Yes. In those instances I believe that is the buyer's handwriting.

HEARING OFFICER: Would he have to go back to the source of this document to obtain permission to change [253] vendors?

THE WITNESS: No, sir.

HEARING OFFICER: All right.

Q. (By Mr. Winch) I now show you Petitioner's Exhibit 12 and 13. My recollection is that Mr. Miranda testified as to this that Exhibit 12 was a requisition and Exhibit 13 a purchase order and that there was no substantial change. I ask you to examine them and tell the Hearing Officer whether there were changes made and if so, what they were?

A. This is Exhibits P 12 and P 13, P 12 is being the purchase requisition. It spells out what the manufacturing department requires. It suggests incidentally the particular source, primarily because this particular source or this particular item is a proprietary item of Hamilton Standard. There has been a lot of spade work done prior to this date for the preparation of this purchase requisition.

As indicated by the price it is a major expenditure. Prior to the preparation of any purchase requisition for a major expenditure we have to have a Major Expenditure Requirement filled out. This requires top management's approval.

HEARING OFFICER: The cost of this is $120,000?

THE WITNESS: If you add up all of the items on the purchase requisition—I took the liberty to total it. It comes out to $126,880.

[254] As I indicated, there was a lot of spade work done prior to the preparation of this particular purchase requisition. And you notice in the upper right-hand corner where it says "requirement Reference Number", that is the MER or so-called Major Expenditure Requirement or Request, I'm sorry. That serial number is 69106.

HEARING OFFICER: Who would make up the original request and to whom would it be submitted for approval? In other words, would—

THE WITNESS: That MER, I don't think there is any uniform policy as to who makes up the MER. The MER in this particular instance would more than likely be generated by management, manufacturing engineering, the MER. They are the ones that are saying that we want a particular item to do a particular job. But this MER before it is even acted upon requires management's approval, its top management approval.

Now, in continuing the flow of the purchase requisition on down to the procurement department, it is very obvious and somewhat exceptional that a requisition is this well defined. The only reason I am saying this is because generally the spade work or the effort is done subsequent to the time we receive a requisition on this type or on some purchases. On the requisition, when it hits the buyer that particular procurement is no stranger to him. He has [255] actually participated in the obtaining of the necessary quotations and the necessary information from the source, from Hamilton Standard.

HEARING OFFICER: The buyer would obtain this information in order that management could make that decision as to whether or not they should approve the MER; is that correct?

THE WITNESS: Yes. The very significant part that I see in coordinating the PR with the purchase order—

Q. (By Mr. Winch) When you say "PR", that is?

A. Purchase Requisition. When I correlate the purchase requisition with the purchase order I notice that the buyer exercising his management prerogative has decided rather than paying $126,880 for this, he has negotiated with the source for a $120,000 for the same items plus he has added another item to it. He added Item No. 9 which does not appear in the purchase requisition. So, in this particular case there is approximately over $7,000 worth of savings.

It is at this time that I guess I will have to say that our management prerogative that we exercise coupled with the buyer's objective program, we realize hundreds of

thousands of dollars of savings through this method of saving.

HEARING OFFICER: You said an item has been added to the purchase order. You said that was the viewing scope?

THE WITNESS: Yes, sir.

[256] HEARING OFFICER: Referring back to the purchase requisition, does that not call for a viewing scope also on Page 2? It says: "The viewing scope shall be the same power, style . . ."

THE WITNESS: Page 2?

HEARING OFFICER: Of the PR, Purchase Requisition.

THE WITNESS: Page 3?

HEARING OFFICER: Yes.

THE WITNESS: It does not list it as a line item. If you look at Page 2 it goes only to eight items. That's the eight items that they price.

HEARING OFFICER: Yes.

THE WITNESS: On Page 3 they say "Viewing Scope" but they do not price it. What I am saying is it is related now that we have priced it. Inadvertantly I would expect it was left off of the PR.

HEARING OFFICER: You mean inadvertantly the price was left off?

THE WITNESS: Inadvertantly calling this out and —as a line item and, yes, inadvertantly leaving off the price.

HEARING OFFICER: The purchase requisition did request the viewing scope?

THE WITNESS: It said the viewing scope shall be the same power, but generally the way we operate from this particular thing is if there is a line item to be received [257] the receiving department—if there is an item to be received the receiving department can count this thing. It is a matter of counting. We have to separate each item that is being received as a line item. So, there will be nine items received in this particular purchase, not eight.

HEARING OFFICER: Also in the—am I interrupting your questions?

MR. WINCH: No, you are not.

HEARING OFFICER: Also on the purchase requisition under the heading or under that paragraph there then about the viewing scope the last sentence reads: "This is in accordance with commitment made by Mr. Olaf Olson of Hamilton Standard."

THE WITNESS: Right.

HEARING OFFICER: To whom would Mr. Olson have made that commitment?

THE WITNESS: I don't know. This is the danger of often times people other than procurement contacting vendors. This Olson may not be a bonafide representative of Hamilton Standard. We in procurement know who can commit the vendor and who cannot. So, it's just as critical for us to make sure of the source we are talking to to make sure we are talking to a responsible person as opposed to someone that does not have these prerogatives as a firm's supplier.

HEARING OFFICER: Do you know if Mr. Olson made this [258] commitment to someone other than a buyer?

THE WITNESS: I don't know.

HEARING OFFICER: Okay. I have no further questions.

MR. WINCH: Now, Mr. Hearing Officer, I will hand you four separate documents and ask you to mark them for identification.

Number 1 shows as a vendor Swift Glass Division. Mark that, please.

HEARING OFFICER: That will be Employer's Exhibit No. 13.

(The document above-referred to was marked Employer's Exhibit No. 13 for identification)

MR. WINCH: Exhibit 14 for identification is a Cost Reduction Report with the vendor being Skinner Precision. Mark that, please.

(The document above-referred to was marked Employer's Exhibit No. 14 for identification)

MR. WINCH: I hand you a Cost Reduction Report in which the vendor is Avdel, Incorporated. I ask you to mark that for identification.

(The document above-referred to was marked Employer's Exhibit No. 15 for identification)

MR. WINCH: And then this Cost Reduction Report, the vendor being Honeycomb Products Co. I ask you to mark that for identification.

[259] (The document above-referred to was marked Employer's Exhibit No. 16 for identification)

Q. (By Mr. Winch) I ask for your comments in reference to Exhibits 13, 14, 15 and 16 in connection with testimony that the buyers could not change the vendor recommended by Local 1286?

A. Exhibits 13, 14, 15 and 16 illustrate cost reduction reports as generated by the buyers. The buyers do this on their own initiative. It is part of the job objective plan that they have. It is part of their responsibility I feel as agents for the company to challenge requisitions as received by any originator.

The first exhibit, Exhibit No. 13, discusses a procurement received—a purchase requisition 043063 to purchase 400 pieces of part number 12P0564446 vapor shields from Hamilton Standard, the same particular manufacturer that makes the electron beam welder. The buyer after reviewing the requisition as generated I believe by the 1286 department challenged it. He contacted the electron beam welding supervisor to gather more information so he could obtain a possible alternate source. He got the information of an alternate source, coordinated efforts with the welding supervisor, who concurred with the particular recommendation of the buyer.

[260] The order was placed with someone other than the requisition stated or recommended it be placed with. The result in savings on this particular procurement was $1,070.

Exhibit 14 discusses that procurement received—a purchase requisition specifying a particular item from General Electric. The buyers initial contact with General Electric was not to his satisfaction. He challenged the particular increase that General Electric was demanding. He contacted the program manager and, as he indicated, in a concerted effort he was able to determine an

alternate source. He got concurrence, placed the order with the alternate source and saved himself on this particular procurement $33.

Exhibit 15 again was generated in this particular case by a Class 2 Buyer for an item that originally was called out on the purchase requisition as a sole source. It happens to be with the helicopter program. They called out in this particular case "Buy from Hartwell". The buyer, as he writes up in his report, as a result of the buyer's persistence and encouragement to Avdel to remain available and to obtain qualifications as an alternate source, he was successful in changing that particular requisition from a "Buy from Hartwell" to a "Buy from Avdel". He saved in this particular procurement $6,123.

[261] Exhibit 16—

Q. Employer's Exhibit No. 16.

A. I'm sorry. Employer's Exhibit No. 16 also called out a Bell Helicopter Program Requirement, which again appears to be restrictive if you look at the purchase requisition. The buyer through his contact with other similar sources in the field encouraged "Honeycomb Products" to submit a bid as opposed to "Hexel Corporation" that was called out on the purchase requisition. The buyer was able to influence not only the Bell Program Management, Bell Aerospace's Program Management, he was also successful in getting Bell Helicopter to change their particular drawings to call this source out as an acceptable source.

I don't know what the collateral savings would be if you were to look at the future savings for both Bell Helicopter and Bell Aerospace, but on this particular requisition he saved $820.

HEARING OFFICER: Who prepares these reports, Mr. Cleveland?

THE WITNESS: The buyer.

HEARING OFFICER: The individual buyer as denoted up here?

THE WITNESS: Right.

HEARING OFFICER: By "up here"—

THE WITNESS: In the upper right-hand corner.

[262] HEARING OFFICER: Right, thank you.

Now, do the buyers act on their own initiative in trying to obtain the savings or do they have to first obtain clearance from the supervisor before they can try to develop and alternate source?

THE WITNESS: Well, as I testified earlier, we have what we referred to as a job objective program, which we sit down and talk to the buyers as to what he might contribute to the company, what efforts would he be pointing to. The buyer I would say, being the most cognizant, is most familiar with the places to go for these savings. The buyer through his contact with these sources or vendors, who obviously are trying to—those that are not being used as far as the items we are purchasing, they are always trying to make their product more attractive than the ones we are buying from. So, the buyer has a wealth of contacts.

I guess, related to your question, the buyer is the one that services these vendors. He is the one that generates all the leg work, all the details that go into this.

He then obviously I would think, being encouraged with his results, would want to make sure the supervisor was aware of his alertness.

HEARING OFFICER: right. But I think we have already gone through this in prior testimony, under what circumstances the buyer would have to check with the supervisor before he [263] changes vendors or anything like that. My question to you is, in the early stages of, you know, when he gets the idea he can save some money, the buyer is free or is the buyer free to begin at least the preliminary work on his own without checking with the supervisor?

THE WITNESS: The answer is yes. He is the initiator of it.

HEARING OFFICER: I have no further questions.

Q. (By Mr. Winch) And does this happen in many cases?

A. Well, again, I repeat that this is our method of generating hundreds of thousands of dollars of cost savings on a yearly basis. As a matter of fact, it reaches, as we reported, into several million dollars, not necessarily all by this method. We have two methods. One

is alternate sources and the other is just negotiations with a strictly supplier or customer directed source change, that is a supplier to customer directive source.

MR. WINCH: I offer Exhibits 13, 14, 15 and 16 in evidence.

MR. LARACY: I have a couple of questions.

HEARING OFFICER: You are free to question him on cross-examination. Do you have any objections?

MR. LARACY: I have no objections.

HEARING OFFICER: Employer's Exhibits 13, 14, 15 and 16 are received in evidence.

[264] (The documents above-referred to heretofore marked Employer's Exhibits 13, 14, 15 and 16, were received in evidence)

Q. (By Mr. Winch) I show you, Mr. Cleveland, Petitioner's Exhibit No. 17 in which the suggested source, coming from Local 1286 was Frontier Bronze Corporation and ask you to comment on that..

A. Exhibit P 17 is a purchase requisition generated by 1286 and also a purchase order as prepared by procurement. The purchase requisition sets forth some castings and it recommends the source Frontier Bronze. It is also related to a previous procurement. We in procurement accept this as just for reference purposes only.

The part that is probably more factual than anything in this particular item is that this also is a Bell Helicopter part. If we went back to the early phase of the helicopter program we would find that a source designated as Texas Bronze was called out. Again through the initiativeness of the buyer he came up with a second source. That source was a local source. It was a source that offered a somewhat relatively insignificant but a more attractive savings. That particular source happened to be Frontier Bronze.

If I look back in my files I would find the buyer put a cost savings report through on this particular one and said to buy from Frontier Bronze rather than Texas [265] Bronze. This took some doing on our part to make sure that we did get permission from the various functional departments at both Bell Aerospace and Bell

Helicopter to buy these particular castings from Frontier Bronze. I guess this particular exhibit sort of reflects, even though it doesn't appear to on these orders, reflects that the buyer did indeed set up Frontier Bronze.

MR. WINCH: Now, Mr. Hearing Reporter, will you please mark for identification this document entitled "Purchase Requisition/Purchase Order/ Receiving Report." This purchase requisition I believe is directed to Rocket Dyne.

(The document above-referred to, was marked Employer's Exhibit No. 17 for identification)

HEARING OFFICER: Off the record.

(Discussion off the record)

HEARING OFFICER: Okay, on the record.

MR. WINCH: I now hand you a purchase order directed to North American Rockwell Corporation, Rocket Dyne Division and ask you to mark that for identification.

(The document above-referred to was marked Employer's Exhibit 18 for identification)

Q. (By Mr. Winch) I show you Employer's Exhibit No. 17 and 18 and ask you first whether they pertain to the same procurement?

A. Employer's Exhibit 17 and Employer's Exhibit 18 do [266] pertain to the same procurement.

Q. And will you comment on the changes that have taken place between 17 and 18 and who initiated them, please?

A. Employer's 17 illustrates a purchase requisition that discusses in brief the item or the authority as granted by program management.

HEARING OFFICER: You said it "illustrates"? Is it an actual purchase requisition?

THE WITNESS: Yes, sir.

HEARING OFFICER: It is an actual one?

THE WITNESS: Yes, sir. It provides to procurement the information that is necessary for the buyer to generate a commitment with a source.

Q. (By Mr. Winch) Now you are talking about Exhibit 17, the purchase requisition?

A. Yes, sir.

Q. Right.

A. Exhibit 18 depicts the amount of managerial judgment and initiativeness that the buyer now has to create in order to enter into a definitive purchase agreement with a supplier. I can relate the size by the number of pages. If I were to look at Exhibit No. 17 it has nine pages. The purchase order with related work statements, purchase orders contracts and terms of conditions is many times that number. Do you [267] want me to count them?

MR. SCHMIDT: No.

THE WITNESS: It's approximately one and a half inches thick.

In explaining this particular procurement a little further it does represent a procurement for five million dollars. The effort that was required to formulate this into a good procurement package was generated by a team concept in which the buyer was the team chairman. In order to make sure that the items that we were buying met all of the requirements it required the assistance of engineering to put together the work statement, program management to make sure that it satisfied the intent of the specification.

MR. WINCH: I offer into evidence, Employer's Exhibit 17 and 18.

HEARING OFFICER: Are there any objections?

MR. LARACY: I object. I think it was over $5,000. We agreed anything over $5,000 is agreed to by higher authority. This was five million I think he said. I think we are getting in here to a missile race.

I have much more evidence this morning that I was going to introduce. I thought I was confining it—would confine it as narrowly as possible because of comments by [268] the Hearing Officer and the lawyer attorney. Now if we are going to get into evidence like this we are going to have to ask for another postponement. I've got here a whole packet of stuff that shows requisitions made up by people in 1286 and passed on to buyers

where the people assigned to them act on what is initiated by the people in 1286.

I would like to know how far we are going to go. If it is going to go too far I will have to ask for another date next week to finish our testimony. I thought the company's case was finished. That was over five mililon dollars. No one buyer did that. It was passed on to several people.

HEARING OFFICER: First of all with respect to your objection as to the admissibility of Employer's Exhibits 17 and 18, I will leave it to the decision writer and the Regional Director to determine whether or not they are relevant to the points at hand right now. But I am also inclined to accept them, receive them into evidence in that they are examples of what has been testified to I believe as to how a purchase requisition, you know, is handled and how it becomes a purchase order for these large purchases.

I think it is pertinent not only perhaps to what Mr. Cleveland is testifying to now but also in our determination as to what are the job duties of a buyer, which would actually [269] testified to—were actually testified to last week.

On that basis I am going to overrule your objection and receive Employer's Exhibits 17 and 18 into evidence.

(The documents above-referred to, heretofore marked Employer's Exhibits 17 and 18, were received into evidence)

HEARING OFFICER: I would like to go off the record for a moment at this point.

(Discussion off the record)

HEARING OFFICER: Back on the record.

MR. WINCH: I am now approaching a slightly different point. An attempt has been made by the Petitioner to belittle the buyer to show they are not true managerial employees. I have some correspondence which I wish to offer in evidence and have Mr. Cleveland explain to prove the plane upon which the buyers act.

With that preliminary I ask you, Mr. Hearing Reporter, to mark this for identification.

(The document above-referred to was marked Employer's Exhibit No. 19 for identification)

Q. (By Mr. Winch) I show you a copy of Employer's Exhibit No. 19 and ask you to explain by whom it was written and to whom it was written and on what subject.

A. Exhibit 19 is an inter-office memorandum dated 22nd of October, 1969, prepared and signed by Mr. James [270] Burgart, a Class 2 Buyer. It is addressed to Mr. J. F. Gill, Vice-President of Product Assurance. The general subject is Zero's Defects Program.

The buyer as indicated in there was trying to encourage and promote as a supplier what we refer to as a Zero Defects Program. What it is is an employee motivation program in which he is motivated to produce quality hardware. In this particular case the buyer requested the services through Mr. Gill of a specialist in his department that could assist in setting up such a program.

MR. WINCH: I offer Employer's Exhibit No. 19 into evidence.

HEARING OFFICER: You are offering that in evidence, Mr. Winch?

MR. WINCH: Yes, please.

HEARING OFFICER: Do you have any objection, Mr. Laracy?

MR. LARACY: No objection.

HEARING OFFICER: Employer's Exhibit No. 19 is received into evidence.

(The document above-referred to, heretofore marked Employer's Exhibit No. 19, was received into evidence)

HEARING OFFICER: Mr. Cleveland, did the buyer, Mr. Burgart in this case take it upon himself to contact the [271] vendor and initiate and start this kind of a program?

THE WITNESS: This is another objective sort of effort which the buyer initiated in this particular instance, yes.

HEARING OFFICER: Was this an attempt to help the vendor reduce his operating cost?

THE WITNESS: The reason for this particular letter is that we were having problems with the supplier as far as his quality was concerned. We felt the quality was at the workmen level and that the workmen were not trained or instructed as well as we though they might be by better supervision.

HEARING OFFICER: Did someone in management at Bell Aerospace Company instruct Mr. Burgart to undertake a program of helping the vendor improve the quality?

THE WITNESS: Not with DK, not with that source.

HEARING OFFICER: So, then Mr. Burgart undertook this on his own without checking with any supervisor?

THE WITNESS: Yes, sir.

HEARING OFFICER: All right.

MR. WINCH: Will you mark for identification as TWX, the sender being K. W. Knoll, buyer, to Mr. Andy Tierney, a copy of Mr. H. F. Eckhardt, President, Pyronetics, Incorporated. I ask you to mark that for identification.

(The document above-referred to, was marked Employer's Exhibit 20 for identification)

[272] MR. WINCH: And I also ask you to mark for identification a letter written by the President of Pyronetics, Incorporated to Bell Aerospace Company, Attention Mr. K. W. Knoll, Buyer, dated the 21st of February, 1970. I ask that be marked for identification.

(The document above-referred to was marked Employer's Exhibit No. 21 for identification)

MR. LARACY: Is this two parts to E 20?

MR. SCHMIT: One is 20 and the other is 21.

HEARING OFFICER: The TWX is Employer's Exhibit No. 20 and the letter dated 2-21-70, 21st of February, 1970 is Employer's Exhibit No. 21.

Q. (By Mr. Winch) I now ask for your comments on that. In line with your comments I want you to explain what the company is trying to show.

A. What we are trying to illustrate here is the managerial responsibility that the buyer has in contacting a supplier and also the image that he creates and the attention he demands from the manager of the—from the management of the supplier. In the eyes of the supplier the buyer is management. That is why he directed the letter to his attention. This is really the purpose.

MR. LARACY: I object to that. I don't think we know how the vendor reacts to the buyer. He is speaking for the vendor there. I don't think he can.

[273] HEARING OFFICER: I will allow this, but in the future try to avoid conclusions in your answers.

THE WITNESS: Can I qualify this then?

HEARING OFFICER: I think it is your testimony that the letter was addressed to Mr. Knoll a buyer?

THE WITNESS: Yes, sir, signed by the President.

HEARING OFFICER: Signed by the President of the Company?

THE WITNESS: Yes, sir.

MR. WINCH: I offer Employer's Exhibit 20 and 21 in evidence.

HEARING OFFICER: Are there any objections, Mr. Laracy?

MR. LARACY: No.

HEARING OFFICER: Employer's Exhibits 20 and 21 are received into evidence.

(The documents above-referred to, heretofore marked Employer's Exhibits 20 and 21, were received into evidence)

MR. WINCH: Now I ask you, Mr. Hearing Reporter, to mark for identification a document entitled Revised Cost Proposal for RS-14 Axial Engine Production Follow-on, Bell RFP GJM:70:05:075.

(The document above-referred to, was marked Employer's Exhibit No. 22 for identification)

MR. WINCH: I do not have extra copies of that document. [274] I do have copies of the letter at the beginning of the document addressed to a Buyer of Bell

Aerospace Company, George A. Morris from North American Rockwell Corporation, Rocket Dyne Division.

HEARING OFFICER: Mr. Winch, may I just see the book there for a second to write down its title?

MR. WINCH: Yes.

HEARING OFFICER: All right.

Q. (By Mr. Winch) Now, I show you Employer's Exhibit No. 22 and ask you first if this has anything to do with the Minute Man Program that we have previously taken testimony about?

A. Employer's Exhibit No. 22 is applicable to the Minute Man Program.

Q. And your comments, please, Mr. Cleveland.

A. My comments regarding this particular exhibit reflects the management responsibilities that we invest in the buyers. The buyer prepares what we refer to as a RFP, which means, Request For Proposal. He generates this particular statement or request for proposal, forwards it to the supplier, who in turn responds to the request.

Again, this particular procurement was directed to Rocket Dyne. It was answered in detail by Mr. C.W. Guy, who is Executive Vice-President, and it was addressed to Mr. George J. Morris, Procurement Department.

[275] HEARING OFFICER: Is he a buyer?

THE WITNESS: Yes.

HEARING OFFICER: Senior Buyer?

THE WITNESS: Mr. Morris is a Senior Buyer.

HEARING OFFICER: What is the document specifically, Mr. Cleveland?

THE WITNESS: The document is now in response to our request for proposal. It represents now the supplier's response which includes several phases. It includes the cost phase as well as the technical phase.

HEARING OFFICER: In other words, is it his bid in effect, the vendor's bid on the job with various specifications?

THE WITNESS: Yes, it is.

MR. WINCH: I offer Employer's Exhibit No. 22 into evidence.

HEARING OFFICER: Any objection, Mr. Laracy?
MR. LARACY: Could I see that? I haven't seen it.
MR. WINCH: Yes.
MR. LARACY: How much money was involved in this proposal?
THE WITNESS: This again was a multi-million procurement.
MR. LARACY: I see. Here again, Mr. Hearing Officer, [276] we are getting into multi-million dollar proposals where many people are involved. We never disputed this. When you get into multi-million dollar proposals there are going to be dozens of members involved from the President to Board Members. I object.
MR. WINCH: Mr. Hearing Officer, Counsel has brought in the little cases with attempts to belittle the management functions of the managerial employees. We are trying to prove to you and to the Board, to the Regional Director, if you please, that there are very important management functions being exercised by these buyers.
MR. LARACY: The Employer has admitted and we have not denied that on anything above $5,000 other people become involved, quality, analyst, supervisors, people from quality, people from engineering. We do not deny this. He is not alone on anything over $5,000. He is just a part of a team.
HEARING OFFICER: I am going to overrule your objection, Mr. Laracy, in that I feel that the document does tend to show the scope of the buyer's functions. So, I will receive Employer's Exhibits No. 22 into evidence.

(The document above-referred to, heretofore marked Employer's Exhibit No. 22, was received into evidence)

HEARING OFFICER: After the buyer receives that document, Mr. Cleveland, what does he do with it?
THE WITNESS: He then analyzes it.
[277] HEARING OFFICER: He does that himself?
THE WITNESS: He does analyze it and he enlists the services of the other specialist in the various departments.

HEARING OFFICER: "Other specialist", by that, you mean the people on the team that we discussed?

THE WITNESS: Yes.

HEARING OFFICER: He would do it on each bid that he receives from the various vendors?

THE WITNESS: Yes.

HEARING OFFICER: Then obviously the selection of the best bid is a team effort thing?

THE WITNESS: Yes. Only this is not applicable in this particular instance. This source that we have, the exhibit we are referring to is a customer directed source.

HEARING OFFICER: What does that mean?

THE WITNESS: This means that the only source that we gan go to on this particular requirement is Rocket Dyne.

HEARING OFFICER: They are the only ones that can make that?

THE WITNESS: Right. This is why it is so important that we make sure that a proper analysis of proposal—what we call a "Cost and Price Analysis" takes place. There are two types of procurement. One we call "Non-Competitive" and the other is "Competitive".

MR. LARACY: He does contact other employees when he [278] analyzes that proposal?

THE WITNESS: Yes, sir.

HEARING OFFICER: Off the record.

(Discussion off the record)

HEARING OFFICER: On the record.

MR. WINCH: The last exhibit I will offer on this point is a TWX sent by George J. Morris, a Buyer, to North American Rockwell Corporation, Rocket Dyne Division, which I ask you to mark for identification.

(The document above-referred to was marked Employer's Exhibit No. 23 for identification)

Q. (By Mr. Winch) Mr. Cleveland, will you refer to Employer's Exhibit No. 23 for identification and explain the significance of it?

A. Employer's Exhibit No. 23 is a TWX dated 9-1-70. It represents advance purchase authorization to a—to

North American Rockwell permitting them to get started on a procurement in order to guarantee that delivery will be commensurate with our in-house requirements.

Q. Does this increase the amount of the commitment?

A. Yes, sir. It increases it from $180,000 to $528,000. This particular document is generated by the buyer.

MR. WINCH: I offer the exhibit into evidence.

HEARING OFFICER: Mr. Laracy, do you have any objection?

[279] MR. LARACY: No objection.

HEARING OFFICER: Employer's Exhibit No. 23 is received into evidence.

(The document above-referred to, heretofore marked Employer's Exhibit No. 23, was received into evidence)

MR. LARACY: Who had to give final approval to this document?

HEARING OFFICER: Excuse me. Are you finished?

MR. WINCH: Yes, I am finished with the witness.

HEARING OFFICER: Your witness, Mr. Laracy.

CROSS-EXAMINATION

Q. (By Mr. Laracy) Employer's Exhibit E 23, Mr. Cleveland, who had to give final approval to this document?

A. That particular document went up to just the level of the Director of Procurement.

Q. He gave final approval?

A. Yes, sir.

Q. Exhibit E 19, do you have that, Mr. Cleveland?

HEARING OFFICER: This is the inter-office memo?

MR. LARACY: Yes.

Q. (By Mr. Laracy) You stated the buyer sent this letter to the Vice-President, Mr. Gill, because of some problems with quality. How did the buyer know there were some problems with quality?

[280] A. Well, as we are trying to point out, the buyer is the main contact with the supplier. He is the eyes and ears, if you will, of Bell Aerospace. He understands

the contract in its entirety regardless of what phase it might be.

I guess in direct answer to your question, when a part comes in and it is rejected, the buyer obviously has to pass judgment on it as far as determining the claim that might be imposed on the supplier.

Q. He was properly notified by Quality Department?

A. No. I would say he was notified when the parts were not being shipped consistent with our schedule. The buyer maintains a constant daily dialogue with the supplier. He does not just get into the act when the material is received.

This would be too late and obviously very critical to our program.

Q. E 13, 14, 15 and 16, you gave us examples of Cost Reduction Reports submitted by buyers. In the lower right-hand corner are signatures. Who are these signed by?

A. As indicated there, the first signature is the supervisor, Mr. J. P. Muni. The second signature is the validator. That is Mr. R.J. Victor. The third signature is a manager, and that is Mr. R.A. Folker.

Q. What is Mr. Victor's title besides validator?

A. He is the Price Analyst in part. He gets varied responsibilities, generally administrative in nature.

[281] Q. And Mr. Folker is?

A. Mr. Folker is Manager of Administration.

Q. This Cost Reduction Report is signed by three supervisors?

A. Yes, for the express purpose—just two supervisors, I'm sorry. Victor is not a supervisor.

Q. Right.

A. We want to make sure if we do say indeed there is a cost reduction, we want to make sure a supervisor concurs that the item is a cost reduction, principally because top management then recognizes and determines whether some of these savings are or are not valid.

Q. You mentioned in relation to Petitioner's Exhibit 12, and 13, that Major Expenditure Request were initiated in the machine and equipment department?

A. I don't believe I indicated that the MER was initiated in the machine and equipment department. I think I said in that particular instance that was probably initiated in the manufacturing engineering department because they are the ones that have the need for that particular equipment.

Q. Who would have initiated it in that department? Would it have been a—

A. I would say since it is a piece of welding equipment that our group supervisor John Biffel would be the one to initiate that. Certainly Mr. Biffel would be the one [282] to set it up as far as modifications.

Q. Are you aware of the fact that the MER or appropriation of MER's are under the Engineering, Machine and Equipment Planning?

A. No, I am not.

Q. That's all.

A. No, I am not.

Q. That's all.

A. Can I qualify that? What type MER's? All types?

Q. Prepares major expenditure requests complete with detailed justifications for manufacturing equipment, investigates major expenditure request for other divisions for similar type equipment.

A. I think I am aware of this being fairly well familiar with the policy that the MER's that are applicable to the manufacturing type equipment could conceivably be generated by the Manufacturing Equipment Department. Those pieces of equipment that are more applicable to engineering in other phases of the company are not generated by the Manufacturing Engineering Equipment Section.

HEARING OFFICER: Do you have any further questions, Mr. Laracy?

MR. LARACY: That's all I have.

HEARING OFFICER: Anything on redirect?

MR. WINCH: No.

[283] HEARING OFFICER: You may step down.

(Witness excused)

HEARING OFFICER: We will take a short recess right now.

(Short recess taken)

HEARING OFFICER: On the record.
MR. WINCH: Mr. Wacks, please.
Whereupon,

PETER J. WACKS

was recalled as a witness by and on behalf of the Employer and, having previously been duly sworn, was examined and testified further as follows:

HEARING OFFICER: Mr. Wacks, you are still under oath.
THE WITNESS: Yes, sir.

DIRECT EXAMINATION

Q. (By Mr. Winch) Mr. Wacks, you have previously testified that you are a Vice-President of Bell Aerospace Division of Textron Inc. When you originally came to work for the predecessor of this company what was the name of the corporation by whom you were employed?
A. Bell Aircraft Corporation.
Q. And did Bell Aircraft Corporation at that time have divisions?
A. We had nine divisions, three of which were in the [284] so-called aircraft business and the other six were in commercial businesses at that particular point.
Q. Did there come a time when Bell Aircraft Corporation was purchased by Textron Inc.?
A. Well, on July 1st, 1960, Textron was interested in getting into the aerospace business. They made a proposition to the old Bell Aircraft Corporation to purchase the company—three companies, three companies of these nine companies of Bell Aircraft Corporation which were in the aircraft or aerospace business, namely the Bell Aircraft Company here in Buffalo, the Bell Helicopter Company down in Ft. Worth Texas, and another company in Burbank, California known as HR & M

Company. These three companies were engaged in the aerospace or aircraft business and Textron wanted to buy those three and it did.

At that point these three became operating companies of the Textron Corporation. The other six companies went their separate way and formed at that time what was known as, and still is today, Bell Inter-Continental. That is on the big board under Bell INT.

We have nothing to do with Textron and my company has nothing to do with those other six companies. As of July 1st, 1960, we in the Buffalo Plant, so-called Bell Aircraft at that time, at that time the name was changed to Bell [285] Aerosystems Company.

Q. May I suggest that at that time a subsidiary was formed by Textron Inc. known as Bell Aerospace Corporation?

A. There was. At the time in connection with these three companies they purchased, they formed a holding company known as Bell Aerospace Corporation, a subsidiary of Textron. Mr. Harvey Gaylord was President of that corporation and to him was to report the three Presidents of the these three companies Textron had purchased.

Mr. Giesel was President of the then Bell Aerosystems Company; Mr. Ducayet in Bell Helicopter was president of that company; Mr. C. Martenson was President of the HR & M Company. These three Presidents of those companies reported to Mr. Gaylord who was President of Bell Aerospace Corporation and Mr. Gaylord reported to Mr. Miller of Textron, who was President of Textron.

Q. And what at that time was the declared policy of Textron Inc. as to the amount of autonomy to be exercised by the three divisions of Bell Aerospace Corporation?

A. That's right, they had a policy or, yes, they had a policy at that time. At that time Textron was a conglomerate and owned about twenty-two different companies. And there their announced policy was each one of those companies was autonomous unto itself.

They owned the Schaffer Pen Company or later acquired [286] it. They owned companies like Corn-Silver

and various companies of that type. The philosophy of Textron was every company they purchased was autonomous unto themselves.

They were responsible for their own individual sales program, the attainment of its sales program, the attainment of so much return on net worth. There were no interlocking operating committees between any of these companies. And for all intent and purposes each one of these companies, which now totals about thirty-three of Textron, each is separate and distinct unto itself. Each one of them has to stand on its own feet as far as the sales picture and profit picture and anything else that goes with running a business.

Q. Now, consider the subject of industrial relations and collective bargaining. What part does Textron take in that?

A. Textron does not really take any part in the negotiation of contracts. They leave it up to the individual divisions. In other words, at Bell Helicopter Company there is a Vice-President of Industrial Relations, a counter-part to me. Other companies have the so-called Director of Industrial Relations or by any other title. The responsibility is centered into some individual in each one of these subsidiary companies or divisions.

[287] Q. I show you Petitioner's Exhibit No. 7, and it is an agreement between Bell Helicopter Company, Division of Bell Aerospace and United Local Office Workers No. 317 UAW which as has been testified by a witness for the Union includes buyers and assistant buyers. Can you explain the circumstances under which the coverage of the contract came to include buyers and assistant buyers?

A. I think—I know I can. In fact, prior to the takeover by Textron I headed up the negotiations of Bell Helicopter as well as Bell Aircraft here in Buffalo. And I have been in negotiations with this particular salarly-hourly unit in Texas. This is a combination of salaried employees and hourly employees. They do include the buyers.

Back at the time this bargaining unit was organized, as I have been told by officials down there, the company

agreed to a consent election which would include not only buyers but Senior Accountants and other salaried personnel.

At the time the Union petitioned for a bargaining unit there was no objection interposed by the company. In fact, the company agreed to include the buyers, the Senior Accountants, and other office personnel. There was no contest whatsoever as there is here today in that particular case.

Q. Now, on January 1st, 1970, there was a further [288] reorganization within the structure of Textron affecting Bell Aerospace Corporation its subsidiary and the Division of Bell Aerospace Corporation. Would you explain that?

A. Well, Mr. Gaylord was about to retire. As a result of that situation Textron decided to eliminate this wholding company the Bell Aerospace Corporation and they did that. As a result of that the three Presidents of these three companies now report to what is known as a group Vice-President. That group Vice-President, who happens to be Mr. Martenson, whom I mentioned before, he reports to Mr. Miller, the President of Textron. And at that particular time Bell Aerospace changed its name again and merely adopted the word "Aerospace" because we felt it was more descriptive of the type of work we were in. And because it did describe the work better we decided to adopt the title Bell Aerospace Company.

Q. I think you misspoke yourself slightly then. I think you meant to say Bell Aerosystems changed its name to Bell Aerospace Company?

A. That's true if I said something else. It was Bell Aerosystems Company changed its name and adopted the Bell Aerospace Company name. Now, since the reorganization on January 1st, 1970, have—

Q. Since the reorganization on January 1st, 1970, have there been any changes in the policy of Textron Inc. as to [289] the autonomy exercised by the Division of Textron Inc. including the policy with respect to labor relations, industrial relations and collective bargaining?

A. None whatsoever. Just for the purpose of explanation I might point out that Textron considers these divisions very autonomous. So much so that recently we had a contract where we were making doors for the helicopter company and the Army suggested to Helicopter that they put these doors our for competitive bids. We had been making these doors as a sole source of supply for the past five years and the bid was put out to various companies.

Cessena Aircraft Company in Wichita came in with a low bid and they got the contract.

Right at the present time we are winding up the door contract. And as far as this new contract is concerned, that is going to Cessena in Wichita. And that just illustrates how Helicopter considers Bell Aerospace Company. It's just like Ford and General Motors. We are two separate companies for all intent and purposes.

MR. WINCH: No further questions.

CROSS-EXAMINATION

Q. (By Hearing Officer) Mr. Wacks, are the labor and industrial relations policy for Helicopter and Aerospace Divisions for Textron determined centrally by someone like Mr. Martenson or are they determined independently?

[290] A. They are determined on a low level. They do not have any industrial relations director at the Textron or corporate level nor at this group vice-president level. They are determined locally by the President of each one of these companies and by the operating division or operating committee of each one of these companies.

Q. Are employees transferred from Bell Aerospace to Bell Helicopter or vice-versa?

A. Not as a general rule. It could be and it does not happen too often where Helicopter may want a good man, let's say in the manufacturing department. They might come to us for a recommendation. We might recommend a good man if it means a promotion for that individual.

They take a look at him and decide whether they want him or not.

Generally that is the only situation where there is a transfer. As a matter of course there is no transfer back and forth based on seniority or anything like that.

Q. At Bell Aerospace are there any company sponsored things such as pension plans or retirement for any employees including executives?

A. Any pension plan?

Q. Right.

A. There is a pension plan, yes. It is the same for all salaried people.

[291] Q. Is this pension plan separate from the one at Bell Helicopter?

A. The salaried plan at Bell Aerospace is separate from the one in Helicopter, yes, sir.

Q. Is that also true for hourly?

A. No, the hourly plan there is a carry-over because of the union implications as far as the hourly plans are concerned. As a result of bargaining negotiations the plans are the same for—generally the same. There are deviations from the two plans. The plans may be different in different respects but the fund is the same. There is one fund. But that is the result of negotiations.

Q. Who administers that fund for the company?

A. Well, we—Helicopter has a separate Board of Administration and we have a Board of Administration. Each Board handles the various retirements and problems that come up under the pension plan for the hourly people at home base. They are handled separately by each one of the separate boards of Administration.

Q. Do you still negotiate for the people at Bell Helicopter?

A. No, I do not.

HEARING OFFICER: I have no further questions. Mr. Laracy?

CROSS-EXAMINATION

Q (By Mr. Laracy) In Local 317 there was a consent [292] election there?

A Yes, there was.

Q The company agreed to a consent election. There was an election and the union won a majority?

A That's right.

Q The Buffalo area I assume there are two UAW locals, 501 and 516. 501 is production and maintenance?

A 501 is production and maintenance and 516 is inspectors, timekeepers, accounting girls and five captains.

Q In Texas there is three—there is 317 which is hourly-salaried?

A 317 I believe is hourly-salaried and 218 is production and maintenance.

Q Do these four locals have the same termination date for their contracts?

A Yes, they do.

Q Did these four locals conduct a strike at the same time in 1969?

A Well, they did. You are talking about the Helicopter Locals?

A Yes.

Q They were in joint negotiations. You are talking about the hourly, maintenance and production people, aren't you?

A There was a strike last year?

[293] That's right. This was the maintenance and production people at Helicopter.

Q Was the strike effective on the same date?

A Yes.

Q What locals were on strike?

A Maintenance and production.

Q What's that? 218?

A I believe that is the hourly bargaining unit.

Q The hourly-salaried were not on strike?

A No. Their negotiations came up later.

Q Local 501 and 516 up here were on strike, right?

A They were on strike.

Q On the same date?

A Well, the termination date of Helicopter and our contract terminated on the same date. But the negotiations were entirely separate. They had different problems down there than we did and different International Representatives down there as disguished from here. It was totally separate. It just happened the termination date of these contracts were the same.

Q Are there the same basic fringe benefits for both contracts for all three locals?

A Generally they are the same. But there are exceptions, you know, some deviations, differences.

Q Does a job in the production and maintenance unit up [294] here, say Local 501, have the same rate for the same job down in Texas?

A Not necessarily.

Q How about the majority of jobs? Over the years the rates have changed?

A There was one time when rates at Helicopter were lower than ours. And as a result of negotiations back in 1960 or 1961 the Helicopter rates went ahead of our rates and for years they were ahead of our rates. In '66—'65—'66, they were quite a bit ahead of us up here, that is, the Helicopter rates were somewhat higher. As a result of negotiations in '66 we entered into an agreement where there would be a catch up with the Helicopter rates over the next three years. So, come 1969 generally the rates were about the same. But they are not all the same and there are differences.

Q Did you for the Bell Systems Corporation in roughly 1966 participate in negotiations down in Texas?

A Not in '66.

Q What year was it?

A I think the last time I was down there if I remember correctly was around '63. And this was—let me explain. That was after the Textron take over, but for two or three different reasons they invited me to come down and head up those. That was on an invitational basis I guess more than [295] anything else.

MR. LARACY: That's all I have.

REDIRECT EXAMINATION

Q (By Mr. Winch) You spoke of the fact that there are occasional transfers from one division here to the other division in Texas. What type of employees would that be?

A Well, as I pointed out there are not occasional transfers. There may be a transfer that comes around this way where Helicopter is looking for a let's say manager or supervisor of some department and they are having a hard time finding him. So, they will request us as well as other companies in the Textron Complex to seek and advise them as to where there is a man that might fill these requirements. And if there is in our department let's say or our company and if it means a promotion for this man we will recommend to Helicopter that he may be taken on, transferred. And if everybody is happy about it, he will be transferred. As I indicated, that happens very, very infrequently.

Q Is there ever any exchange of employees—I think that is a better term—where a man carries seniority from one plant to the other?

A No, no. He would carry probably company seniority for fringe benefit purposes like insurance, vacation, perhaps, that type of thing. But as far as consideration of layoff and all that which might subsequently occur in [296] Helicopter, he would take into Helicopter that date and seniority, the date of transfer seniority.

Q Now—

A Let me finish the thought. I don't know of one single case where any hourly people have been transferred from Bell Aerospace Company to Helicopter in the past ten years I would say or even prior to that time.

Q You have testified that there were strikes in Ft. Worth and at the Wheatfield Plant simultaneously. Were they settled at different times?

A They were settled at different times. The people struck in Helicopter and here the same night. I think it was June 9th—June 8th, midnight, June 8th. But their

strike down there was settled within two weeks. The people went back to work two weeks later. Unfortunately our strike lasted seven weeks, five weeks longer than the Helicopter strike. So, they were settled on different dates. One lasted two weeks, the other strike here at Aerosystems lasted seven weeks.

Q Was there any coordination of the settlement negotiations between Ft. Worth and—

A As far as Company representatives?

Q Yes.

A We exchanged information but they have their problems down there and we had ours here. All we did was bring each [297] other up-to-date as to how negotiations were going or how they were not going.

MR. WINCH: That's all.

RECROSS-EXAMINATION

Q (By Mr. Laracy) I have a couple of more questions. The expiration date for Local 218 and in Texas 501 and 516, was it the same date now for the three locals?

A I think on production, 516, 501 and 201, I think they were the same date.

Q Local 218 in Texas had approximately a two-week, three-week strike?

A Two weeks.

Q And 501 and 506, seven weeks?

A Yes.

Q What was the dispute? What was the difference? Why was one two weeks and the other seven? Was there one main dispute?

A I think so. The issue in the two strikes, well, the issue there was primarily the elimination of the open end cost of living clause. That was not an issue at Bell Helicopter. That was the reason were were out five weeks longer than the people in Helicopter.

One of the primary reasons I think why Helicopter went out, as I understand it, was they were demanding additional sick leave and more money and the younger people [298] wanted it. They were not getting it and they precipitated the strike down there. There were two different issues, two entirely different scenes of activity.

MR. LARACY: That's all.

HEARING OFFICER: You are excused, sir.

(Witness excused)

MR. WINCH: That's all the company has.

MR. LARACY: That's all I have.

HEARING OFFICER: Is there anything further that either of the parties wishes to present at this time?

Mr. Laracy?

MR. LARACY: No.

HEARING OFFICER: Mr. Winch?

MR. WINCH: No.

HEARING OFFICER: Mr. Laracy, in the event that it is found that the buyers are not managerial employees and are employees under the meaning of the Act and if in addition to that it was found that the appropriate unit would also include the estimators, the cost analysts —I don't mean "estimators". I mean expeditors. In other words, a larger unit, in other words, almost all employees in Department 121, would the union still wish to participate if a larger unit were found appropriate?

MR. LARACY: Yes. In fact, if you want I will make [299] an alternate proposal should the Regional Director find buyers are employees but possibly find the buyers themselves are not an appropriate unit. Should he find this I will then offer one or two alternate units that the union would accept and the union would represent.

HEARING OFFICER: Okay, fine.

Off the record.

(Discussion off the record)

HEARING OFFICER: Back on the record.

Do any of the parties desire to file briefs, Mr. Winch?

MR. WINCH: Yes.

HEARING OFFICER: Mr. Laracy?

MR. LARACY: Yes.

HEARING OFFICER: Briefs are due within seven days after the close of this hearing, which will be—

MR. WACKS: There is a holiday in there.

HEARING OFFICER: Right.

MR. WINCH: As a matter of fact, then if the Hearing Officer please, counsels have discussed the subject and are aware it's within the jurisdiction of the Hearing Officer to extend the time to file briefs for another fourteen days, and we join in requesting an additional fourteen days so we will have twenty-one days.

HEARING OFFICER: Would it be possible at all to get [300] them in earlier than that? For example, if I were to grant fourteen days would that be sufficient, instead of twenty-one?

MR. LARACY: It's going to be rough for me. I have another assignment and I would really like the fourteen days.

HEARING OFFICER: You are talking about fourteen days?

MR. WINCH: Fourteen in addition to the seven, yes. That is our request.

HEARING OFFICER: Off the record.

(Discussion off the record)

HEARING OFFICER: On the record.

An extension of time for filing briefs has been granted. Briefs are due on Thursday, September 24th. If there is nothing further, the hearing is closed. Is there anything further?

MR. LARACY: Do you want an alternate position from us on the unit or is that on the record?

HEARING OFFICER: Are you prepared to present that now?

MR. LARACY: When do you want me to present it?

HEARING OFFICER: Why don't you make it now for the record?

MR. LARACY: All right.

HEARING OFFICER: I thought you were going to put that in your brief.

[301] MR. LARACY: I want to get it on the record. The Petitioner requests a unit of buyers as listed in Employer's Exhibit 4. The Petitioner takes the position that the buyers are employees under the Act.

However, should the Regional Director find that the buyers are employees but they form an inappropriate unit, the Petitioner would then extend his unit to include all salaried employees in the purchasing department as mentioned on Exhibit 4. These salaried employees would include the buyers plus the cost analysts plus the salaried expeditors.

HEARING OFFICER: You would exclude the two hourly expeditors?

You would exclude them?

MR. LARACY: That would be our third position. As our third position we would include also the hourly expeditors on the grounds they would eventually become salaried expeditors. So, in other words, the Regional Director here has two alternate positions from the union, one a unit of buyer, should they be declared employees. The additional unit would be buyers plus all salaried employees as mentioned on Exhibit 4, and the third position would be all salaried employees on Exhibit 4 plus the hourly expeditors.

MR. WINCH: In reply to the stating of the union's position, in the first place we do not believe that the [302] additional expanded unit proposed by the union would be appropriate. And the first question that enters my mind is whether the only appropriate unit would be all salaried employees within the company. But I do not know how that could be determined without a further hearing. That is not the issue before the Board. That is not the issue before the Board on this petition.

This petition is for the buyers in the Procurement Department. I do not believe that there can be any other question before the Board without a further petition. So, we object to any expansion to any unit including the buyers whether or not including additional salaried personnel.

MR. LARACY: I have confined my alternate position to the establishment record. I have not gone beyond the record and I think the record speaks for itself.

HEARING OFFICER: Is there anything further?

MR. LARACY: No further comments.

MR. WINCH: Nothing further.

HEARING OFFICER: Fine. The hearing is closed.

(Whereupon, at 5:15 p.m., the hearing in the above-entitled matter closed)

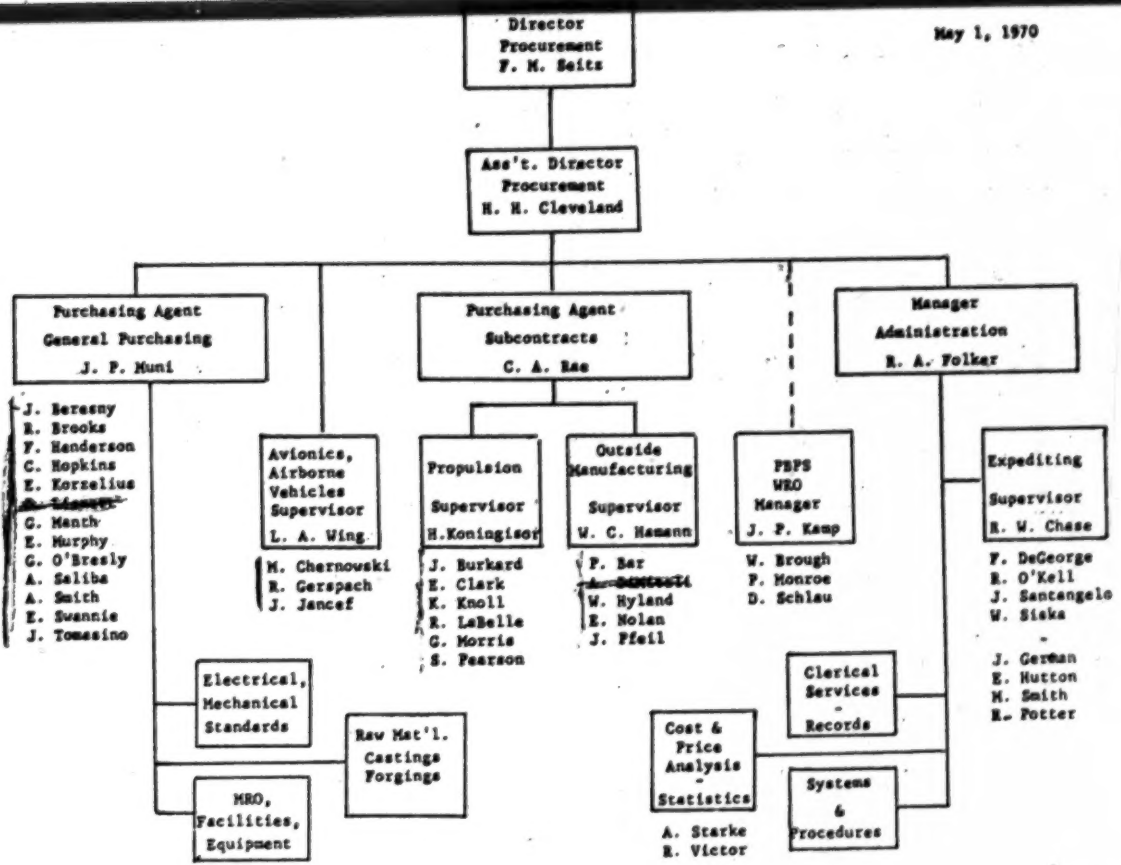
ALPHABETICAL LISTING OF BUYER PERSONNEL IN THE PROCUREMENT DEPARTMENT OF BELL AEROSPACE COMPANY AS OF 7-20-70

Perm. No.	Name	Dept.	Co. Sen.	JC/LG
	BUYER CLASS II			
81178	Bar, P. J.	121	10-23-51	741 A13
99063	Beresney, J. T.	121	03-11-65	741 A13
03430	Burkard, J. R.	121	02-13-67	741 A13
02225	Clark, E.	121	10-12-66	741 A13
~~02014~~	~~Dimiceli, Ara.~~	~~121~~	~~09-20-66~~	~~741 A13~~
72395	Henderson, F. H.	121	04-18-49	741 A13
71080	Nolan, E.	121	08-21-51	741 A13
	BUYER SENIOR			
75845	Brooks, R. F.	121	10-24-66	741 A16
75695	Chernowski, M. P.	121	03-24-69	741 A16
00073	Gerspach, R. A.	121	04-25-66	741 A16
81212	Hopkins, C. E.	121	07-30-62	741 A16
81914	Hyland, W. J.	121	02-12-52	741 A16
02293	Jancef, J. O.	121	10-17-66	741 A16
99323	Knoll, K. W.	121	08-09-65	741 A16
99395	Korzelius, E. G.	121	09-20-65	741 A16
77111	Labelle, R. J.	121	05-06-68	741 A16
95815	Manth, G. E.	121	03-05-57	741 A16
16297	Morris, G. J.	121	02-16-42	741 A16
78797	Murphy, E. G.	121	05-24-51	741 A16
70967	Obresly, G. R.	121	10-03-47	741 A16
98858	Pearson, S. M.	121	05-13-64	741 A16
97691	Pfeil, J. W.	121	05-21-62	741 A16
81286	Saliba, A. G.	121	07-10-61	741 A16
88224	Smith, A. D.	121	03-14-66	741 A16
99482	Swannie, E. R.	121	10-11-65	741 A16
05160	Tomasino, J. A.	121	08-28-67	741 A16

8-25-70
dm

Empl. Exh. No. 3

May 1, 1970



Empl. Exh. No. 4

198

JOB DESCRIPTION

BELL AEROSYSTEMS COMPANY
DIVISION OF BELL AEROSPACE CORPORATION

Form 0571

JOB TITLE	JOB CODE
Buyer, Senior	741-A16

DUTIES:

Under general direction and with considerable latitude for independent action, is responsible for developing sources, negotiating, administering and controling purchasing programs and/or subcontracts involving large dollar volume procurement of major complex electronic, mechanical and electro-mechanical systems, subsystems or components. More specifically: develops sources of supply from engineering specifications and wide knowledge of vendor capabilities; confers with technical, engineering, research and manufacturing personnel to achieve a working knowledge of the assigned item to be purchased and the general functional relationship to the end product or effort; investigates or analyzes surveys or other data on suppliers to determine their capability and reliability; prepares invitations for bids to qualified suppliers involving detailed Company and Government regulations; evaluates bids or proposals and determines or makes effective recommendations on the selection of the supplier; negotiates with supplier on bids and/or subcontracts and administers all matters related thereto during the life of the agreement; makes various reports and analyses as required. Directs others assisting in any of the above as required.

DESIRABLE QUALIFICATIONS:

College graduate with a degree in Business Administration or the equivalent in training and experience. At least six years of successful and progressive experience in buying and related Procurement activities.

Empl. Exh. No. 5

May 17, 1963	JOB REVISED 725-A16

JOB DESCRIPTION

Bell Aerospace Company ..... extron

JOB TITLE	JOB CODE
BUYER, CLASS II	741 - A13

DUTIES:

Under the supervision of the Supervisor of Purchasing or an individual of equal or higher rank, is responsible for finding sub-contractors and vendors to fabricate complex and expensive parts or tools and to place orders for material in such a way that a proper flow of parts with a minimum of shortages will result; on the basis of purchase requisitions, Engineering blueprints, and operation sheets, determines the type of equipment necessary to produce the parts or tools; submits information to a minimum of three vendors, who are properly equipped to perform the work, for quotations; forwards bids to the Estimating Department for approval and issues purchase order to the vendor most satisfactory as to price and delivery date; is often called upon to persuade vendors to produce parts or tools when it will result in many changes in the plant; furnishes vendor with information and suggestions to aid him in facilitating his production; performs liaison between vendor and various departments of the Corporation such as Accounting, Inspection, Tool Design and Engineering; assigns work of placing orders for less complex parts or tools or portions of large orders to Class I Buyers; may serve as a specialist, performing any combination of the above duties.

DESIRABLE QUALIFICATIONS:

College education or its equivalent. Three to five years of progressively successful experience in fabrication methods and buying procedures.

Empl. Exh. No. 6

DATE	JOB REVISED
January 1, 1944	New

BELL AEROSYSTEMS COMPANY

POLICY AND PROCEDURE

NUMBER 14-008
SUPPLEMENT
PAGE 1 OF 4
DATE ISSUED 4/30/62
DATE REVISED 8/8/69

TITLE FINANCIAL COMMITMENTS

I. PURPOSE

To establish financial limitations for those Bell Aerosystems Company officers and other designated Company personnel who are authorized to make financial commitments.

II. SCOPE

A. Financial commitments within the scope of this policy are:

Proposals and contract commitments to sell or perform,
Procurement commitments,
Company sponsored projects,
Employment commitments.

These commitments may be by or with the United States government, any foreign government and any person, firm, or corporation. These commitments include any subcontracts or subordinate contracts relative to any work, property, purchases, sales, contracts, services, or production of any kind carried on or performed for Bell Aerosystems Company.

III. GENERAL

A. The financial limitations for contracts and related instruments and procurement commitments, as set forth below, have been established by Bell Aerospace Corporation for corporate control.

The authorizations herein do not supersede financial limitations, documentation procedures or any other internal controls established by Bell Aerosystems Company Policies and Procedures (BAPP's), Departmental Job Instructions or Executive Orders, where such controls are more restrictive. For example, BAPP 00-052 Negotiation of Contracts, BAPP 20-004 Management Strategy and Review Meetings and Pricing Meeting and Manufacturing DJI 121-304 Procurement Commitments.

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IV. AUTHORIZATION LIMITATIONS

A. Contracts and related instruments, including proposals, termination claims and releases.

IV. AUTHORIZATION LIMITATIONS (continued)

A. (continued)

Contract Managers	Donald E. Argus James F. Corbett Robert E. Gardner John J. Weisbeck	Not more than $10,000.
Director - Contracts Administration	Howard R. Herod	Not more than $1,000,000.
Executive Director - Marketing	John R. Clark, Jr.	
Manager - Cleveland Operations	William J. O'Mara	
Manager - Arizona Operations	Murray Shabsis	
Secretary and Chief Counsel	Joseph E. Conners	Not more than $5,000,000.
Vice President and Manager - Minuteman Program	Lawrence P. Mordaunt	
Vice President - Marketing	Joseph R. Piselli	
Vice President - Western Region	John M. Schweizer, Jr.	
Vice President - New Orleans Operation	William M. Smith	
Vice President - Eastern Region	Edward W. Virgin	
President - Bell Aerospace Corporation	Harvey Gaylord	No Limitations
President - Bell Aerosystems Company	William G. Gisel	
Executive Vice President	Richard M. Hurst	
Vice President - Finance	Norton C. Willcox	

BELL AEROSYSTEMS COMPANY

POLICY AND PROCEDURE

NUMBER 15-008
SUPPLEMENT
PAGE 3 OF 4
DATE ISSUED 4/30/62
DATE REVISED 8/8/69

TITLE

FINANCIAL COMMITMENTS

IV. AUTHORIZATION LIMITATIONS (continued)

B. Procurement Commitments

Procurement Buyers		Not more than $50,000.
Procurement Supervisors	W. C. Hamann J. P. Kamp L. A. Wing	Not more than $100,000.
Purchasing Agent	J. P. Muni	Not more than $500,000.
Assistant Procurement Director Procurement Director	H. H. Cleveland F. M. Seitz	No Limitations

Notes:

1. Procurement commitments to suppliers, contractors or subcontractors are only made when authorized by a properly approved purchase requisition.

2. The procurement document, i.e. Purchase Order, subcontract or other document will be authorized only when the document contains terms and conditions previously or specifically approved for the purpose by the Legal Department.

3. Commitments for consultants services may be authorized only by the Executive Vice President or the President.

C. Company Sponsored Projects

1. Capital Expenditure and major expense commitments are subject to budgetary control and the approval of the Vice President, Finance. For requests of $25,000 or more, approval of the Executive Vice President or the President is required. Reference BAPP 15-006, Major Expenditures.

Form 6403 Rev. 661 Sheet 1

revised

Empl. Exh. No. 7 (2 of 2)

BELL AEROSYSTEMS COMPANY

POLICY AND PROCEDURE

NUMBER 15-003
SUPPLEMENT
PAGE 1 OF 4
DATE ISSUED 4/30/62
DATE REVISED 8/8/69

TITLE

FINANCIAL COMMITMENTS

IV. AUTHORIZATION LIMITATIONS (continued)

C. (continued)

2. Independent Research and Development work authorizations are subject to budgetary control and the approval of the Vice President, Finance or his designee (Budget Director) and the Vice President, Planning.

3. Bid and Proposal work authorizations are subject to budgetary control and the approval of the Director of Marketing Services and the Vice President, Finance, for approval for requests of $10,000 or more. Finance Department approval for lesser amounts may be delegated to the director of Budgets.

4. Requests for funds to initiate or sustain work effort during the period of contract negotiations or formalization require the approval of the Vice President, Marketing and Finance and the Executive Vice President.

D. Employment Commitments are authorized as follows:

1. Requisitions for indirect employees are subject to approval of the responsible Vice President or executive reporting directly to the President and the approval of the Vice President, Finance.

2. Employment offers are made subject to established wage and salary limits. However, salary offers or salary increases to an amount in excess of $15,000 must be approved by the President prior to any discussion or commitment.

3. Company-Union Contracts are subject to approval of the Vice President, Industrial Relations and Chief Legal Counsel.

Form 6483 Rev. 661 (Sheet 1)

BELL AEROSYSTEMS COMPANY

DEPARTMENTAL JOB INSTRUCTION

NUMBER 121-304
SUPPLEMENT
PAGE 1 OF 2
DATE ISSUED 10/10/69
DATE REVISED 11/26/69

DIVISION Manufacturing FACILITY 11
DEPT. Procurement REF. BAPP
TITLE Signatory Approval Commitment Authority Request
TITLE

I. Reference

Bell Aerosystems Company Form No. 1064, Rev. 1069.

II. Purpose

To delineate stratification of signatory authorization requirements.

III. Scope

This pertains to all commitments awarded by Procurement personnel in the normal conduct of day to day business.

IV. Procedure

1. Commitment Limitation:

(a) The Buyer is authorized to enter into agreements on behalf of Bell Aerosystems Company in amounts not in excess of $5,000, without the necessity of securing additional signature approvals. (Referenced form not required at this level.)

(b) In instances where awards are made in excess of $5,000, but less than $10,000, it is the responsibility of the Buyer to secure the signature approval of his group Supervisor prior to formalization of such commitments.

(c) Where the commitment exceeds $10,000, but not $25,000, it will require in addition, the signature approval of the Purchasing Agent.

(d) Commitments exceeding $25,000, but less than $50,000, will require the signature approval of the Assistant Director of Procurement in addition to those included in (a) through (c) above.

(e.1) When a commitment exceeds $50,000, the additional approval signatures of a member of the Negotiation Review Committee and the Director of Procurement will be required.

(e.2) Signature approval by the Program Manager and/or Technical Director is optional for any strata, and may be requested at Procurement's discretion.

Empl. Exh. No. 8

BELL AEROSYSTEMS COMPANY

DEPARTMENTAL JOB INSTRUCTION

NUMBER 121-304
SUPPLEMENT
PAGE 2 OF 2
DATE ISSUED 10/10/69
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DIVISION Manufacturing FACILITY 11
DEPT. Procurement REF. DAPP
TITLE Signatory Approval Commitment Authority Request
TITLE

(f) In the event a commitment exceeds $100,000, the signature approvals of both the Vice President, Manufacturing, and Vice President, Finance, will be a requirement.

(g) Commitments made where consultants are being retained require, in addition to those delineated heretofor, the signature of the Executive Vice President or President, Legal/Patent.

(h) Commitments awarded on other than a firm fixed price basis require the signature of the Buyer, Analyst, Supervisor, Purchasing Agent, Assistant Director or Director of Procurement and Legal.

(i) Labor Hour and/or Time & Material commitments will require the signature of the Buyer, Analyst, Supervisor, Purchasing Agent, Assistant Director or Director of Procurement, and the Controller.

(j) A random sampling at the discretion of the Analyst, will be conducted regardless of strata. These will be submitted to the Assistant Director of Procurement for signature, prior to commitment.

V. Special Note - Mandatory Requirement

When a pre-negotiation advance procurement authorization is awarded, regardless of the initial amount committed, and the ultimate total will equal $5,000 or more, the prior approval as outlined in IV, 1 (a) thru (f) will be a requirement. In addition, Procurement Administration will be notified of this transaction in writing. A copy of the advance authorization will suffice.

VI. Responsibility

The Buyer will assume responsibility for completing Form 1064, Rev. 1069 and obtaining all required signatures.

VII. Distribution

All Procurement Personnel

Commitments by Buyers
1/2/69 through 7/31/70

Buyer	No.	Under $5,000	No. P.O.'s	Over $5,000	No. P.O.'s	TOTAL	No. P.O.'s
Chernowski	3	$ 37,325.	38	$ 342,951.	20	$ 380,276.	58
Salibe	4	381,370.	2040	464,001.	33	845,371.	2073
Hopkins	6	1,351,983.	3299	2,727,205.	133	4,079,188.	3432
Pfeil	7	51,990.	38	2,878,812.	24	2,930,802.	62
Pearson	10	131,865.	168	2,050,861.	28	2,182,726.	196
Clark	13	57,312.	36	463,121.	13	520,433.	49
Bar	14	105,963.	141	1,139,304.	35	1,245,267.	176
LaBella	15	15,462.	7	4,587,723.	20	4,603,185.	27
Kornelius	17	521,612.	721	1,031,902.	59	1,553,514.	780
Henderson	18	419,450.	2832	45,584.	6	465,034.	2838
Susanie	19	547,939.	1769	891,252.	66	1,439,191.	1835
Nolan	20	335,752.	387	730,658.	44	1,066,410	411
Hyland	21	455,334.	658	193,370.	19	648,704.	677
Smith	24	485,248.	1593	640,681.	29	1,125,929.	1622
Tomasino	28	552,070.	1362	2,276,235.	104	2,828,305.	1466
Burkard	29	8,276.	6	1,071,359.	13	1,079,635.	19
Manth	32	271,316.	1143	180,283.	17	451,599.	1150
O'Grosly	33	357,875.	967	3,373,346.	13	3,731,221.	980
Morris	36	11,305.	9	6,268,609.	7	6,279,914.	16
Gorapach	37	201,559.	210	713,364.	27	914,923.	237
Knoll	38	60,216.	42	736,382.	23	796,598.	65
Murphy	42	324,083.	3394	21,600.	1	345,683.	3395
Beresny	47	427,007.	1863	535,954.	48	962,961.	1911
Jancef	48	129,410.	194	381,615.	21	511,025.	215
Brooks	49	429,450.	2357	299,590.	24	729,040.	2381
		$7,671,177.	25,254	$34,045,762.	827	$41,716,934.	26,081

Empl's. Exh. No. 6

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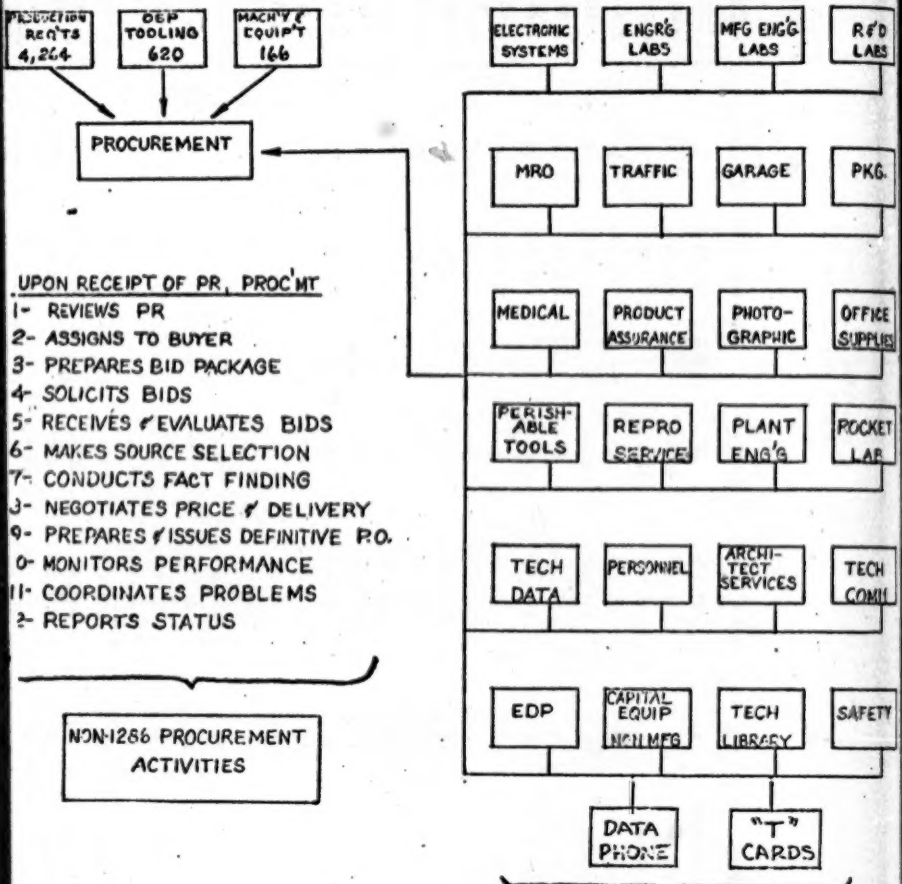
PURCHASE REQUISITION (PR) INPUT TO PROCUREMENT
JAN 1 THROUGH JULY 31, 1970 (TOTAL 15,977)

PR'S INITIATED BY 1286
(TOTAL 5,050 OR 31.6%)

PR'S INITIATED BY 26 OTHER SOURCES
(TOTAL 10,927 OR 68.4%)



UPON RECEIPT OF PR, PROC'MT

1- REVIEWS PR
2- ASSIGNS TO BUYER
3- PREPARES BID PACKAGE
4- SOLICITS BIDS
5- RECEIVES & EVALUATES BIDS
6- MAKES SOURCE SELECTION
7- CONDUCTS FACT FINDING
8- NEGOTIATES PRICE & DELIVERY
9- PREPARES & ISSUES DEFINITIVE P.O.
10- MONITORS PERFORMANCE
11- COORDINATES PROBLEMS
12- REPORTS STATUS

NON-1286 PROCUREMENT ACTIVITIES

26 VARIOUS NON-1286 INPUT SOURCES, ALL REQUIRING NON-1286 LINES OF COMMUNICATION

Empl. Exh. No. 10

BELL AEROSYSTEMS COMPANY

INTEROFFICE MEMO

February 19, 1970

Memo to: Mr. N. C. Willcox

Copy to: Messrs. W. S. Nochisaki, A. Kastelowitz, H. H. Cleveland, M. Blessing

SUBJECT: PBPS Subcontract Teams

Per your request the following is submitted:

The attached chart depicts the Procurement Team organization that has been established for the definition, solicitation, fact-finding, specification refinement, negotiation, commitment and subsequent management of subcontractor effort relative to PBPS requirements from the four suppliers of former BFE components.

Assistant Director of Procurement Harry H. Cleveland has been assigned primary Procurement responsibility for these subcontractors, and will assume active direction of related team efforts. He will closely monitor all aspects of team and subcontractor activity, and will insure maximum management attention to their performance and visibility.

F. M. Seitz
Director of Procurement

FMS/jpo

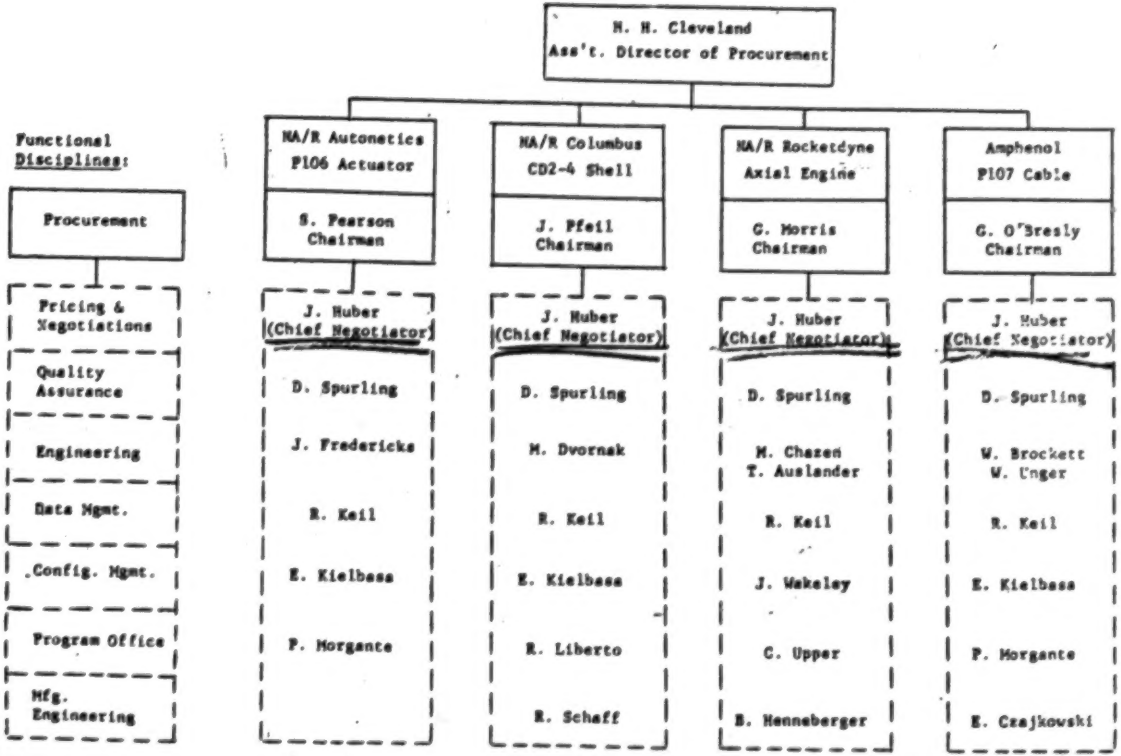
Attachment

SUB TRAC TAM:

Major (former BFE) Components

2/19/70

F. M. Seitz



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Empl. Exh. No. 11 (2 pp.)

BELL AEROSYSTEMS COMPANY

EMPL. EXH. NO. 12

DEPARTMENTAL JOB INSTRUCTION

NUMBER 121-300
BAPP NO. A
PAGE 1 OF 2
DATE ISSUED 8/20/68
DATE REVISED 2/16/70

ORGANIZATION Manufacturing FACILITY 11
DEPT. Procurement REF. BAPP

TITLE Preparation for and Initiation of a Subcontract

I. Scope

Application of this DJI is mandatory on all procurements anticipated to exceed $50,000.

II. Purpose

To provide instructions and define functional routines attendant to: the preparation of requests for quote, analysis of proposals, pre-negotiation preparation, negotiation and the award to the successful bidder.

III. Procedure and Responsibility

A. The Buyer will:

1. Assure the adequacy of the bid package and issue a request for quote to qualified, potential subcontractors.

2. Provide the coordination/liaison between potential subcontractors and internal functional groups should any questions arise during the proposal stage.

3. Review the adequacy and responsiveness of the proposal format and content, i.e. DD 633, Certificate of Current Pricing, coverage of all requirements, such as software, tooling, hardware, quality, etc.

4. Issue interoffice memoranda to specific, specialized functions, requesting their assistance in the review and analysis of portions of the proposal within their responsibility.

   Example: Technical data to be submitted to Engineering.
   Fabrication and tooling data to Manufacturing.
   Rates (Labor, Overhead and G & A) to Finance, etc.

5. Initiate and issue the required Negotiation Notice (Form 1192) wherein the Buyer is negotiation team chairman, and adequate Bell support personnel are identified. It is important to assure that the negotiation objectives are established at least one week prior to the scheduled negotiation date.

BELL AEROSYSTEMS COMPANY

DEPARTMENTAL JOB INSTRUCTION

NUMBER 121-300
BAPP NO.
PAGE 2 OF 2
DATE ISSUED 8/20/68
DATE REVISED 2/16/70

ORGANIZATION Manufacturing . FACILITY 11
DEPT. Procurement REF. BAPP

TITLE Preparation for and Initiation of a Subcontract

III. Procedure and Responsibility (continued)

6. Conduct a pre-negotiation briefing session with the appropriate Purchasing Agent and the Assistant Director of Procurement. This briefing will consist of a written detailed report regarding the selection of contract type, complete cost element overview, and schedule negotiating objectives, as well as the technique advocated during actual negotiations. The target areas will specify validity of materials, subcontracting labor rates, hours and rates for appropriate categories such as: Engineering, Manufacturing, Quality Assurance and Reliability, etc. Also investigate accounting system to ascertain how elements such as overtime, packing and shipping, royalties, etc., are allocated. Precise dollar or percentage targets should then be established for each item.

7. As chairman, conduct negotiations with the potential subcontractor, in consonance with information and decisions rendered under foregoing items of procedure. In addition, the cognizant Supervisor will participate in all significant subcontract negotiation sessions within the scope of this DJI. When deemed necessary, the Purchasing Agent and/or the Assistant Director of Procurement will also participate.

8. Issue a detailed negotiation summary immediately on completion of negotiations.

9. Issue a definitized purchase order or subcontract based on the results of the foregoing negotiations.

IV. Distribution

Procurement Supervision
Procurement Buyers
Manufacturing Controls
Management Engineering
Finance

jw

182 Rev. 465 Sheet 1

213

COST REDUCTION REPORT

By 11	Glass Vapor Shields	5/19/70
	Swift Glass Division	A.G. Saliba

[X] NEW SOURCE

EXPLANATION: Procurement received P/R No. 043063 to purchase 400 pcs. P/N 12P0564446 Vapor Shields from Hamilton Standard for use on Model W-2 Hamilton Standard Electron Beam Welding machines. Last purchase price was at $1.55 each.

The Buyer ~~immediately~~ contacted Lou Sarna, Electron Beam Welding Supervisor, to gather further information on this item i.e. material, specific dimensions, usage, other pertinent details. It was than decided that this item could be supplied by any Glass supply company.

In a coordinated effort, Lou Sarna, supplying the samples and exact material and dimensions, the Buyer than sketched an informal drawing incorporating the material required, dimensions, and tolerances as supplied by Lou Sarna. An RFD was then forwarded to known glass suppliers with samples.

- continued -

NET REDUCTION:

ORIGINAL UNIT PRICE _____ QUANTITY THIS ORDER _____

NEW UNIT PRICE _____ REDUCTION THIS ORDER _____

REDUCTION PER UNIT _____ EST ANNUAL TOTAL RED'N _____

OTHER NET REDUCTION _____

SUPERVISOR _____

VALIDATION _____

MANAGER _____

Empl. Exh. No. 13 (1 of 2)

COST REDUCTION REPORT

Bell	Glass Vapor Shields	5/19/70
	Swift Glass Division	A.G. Saliba

REASON FOR REDUCTION:

[ ] MATERIAL SUBSTITUTION	[ ] CHANGE [illegible] TO MRS
[ ] CHANGE IN PROCESS	[ ] CHANGE [illegible] POINT
[ ] REDUCTION IN SCOPE	[ ] [illegible]
[ ] "MAKE" OR "BUY"	[ ] [illegible]
[ ] QUALITY IMPROVEMENT	[ ] REDUCTION [illegible]
[ ] NEW SOURCE	[ ] [illegible]
[ ] NEGOTIATION (DESCRIBE BELOW)	[ ] OTHER (DESCRIBE BELOW)

EXPLANATION: Results:

1) A formal order was placed with Swift Glass Division, Elmira, New York for 400 pcs., later increased to 800 pcs.

2) Alternate source, Swift Glass Division created.

3) Hamilton Standard -

800 pcs. @ $1.35/each $1240.00

Swift Glass Division -

800 pcs. @ $ .20/each 160.00

Set up charge 10.00 $170.00

Savings: $1,070.00

ORIGINAL UNIT PRICE _____ QUANTITY THIS ORDER _____

NEW UNIT PRICE _____ REDUCTION THIS ORDER 1,070.00

REDUCTION PER UNIT _____ EST. ANNUAL TOTAL [illegible] _____

[illegible] _____

[illegible] _____

VALUE ANALYST _____

-13- Empl. Exh. No. 13(2 of 2)

COST REDUCTION REPORT

Army ACV Spares	V5L35440, Dump Valve	5/19/70
	Skinner Precision	A.G. Saliba

- [ ] MATERIAL SUBSTITUTION
- [ ] CHANGE IN PROCESS
- [ ] ELIMINATION OF SCRAP
- [ ] MAKE OR BUY
- [ ] QUALITY IMPROVEMENT
- [x] NEW SOURCE
- [ ] NEGOTIATION (DESCRIBE BELOW)
- [ ] CHANGE IN SPECIFICATIONS
- [ ] CHANGE IN PURCHASE TERMS
- [ ] ESTABLISHED PLANNED SAVINGS
- [ ] COMBINED REQUIREMENTS
- [ ] REDUCTION IN PAPER WORK
- [ ] VENDOR RECOMMENDATION
- [ ] OTHER (DESCRIBE BELOW)

EXPLANATION: Procurement received P/R No. 041805 to purchase one (1) unit X3569L1 Dump Valve from General Electric Company. G.E.'s quotation was received and a 37.7% increase in unit price, over a previous purchase, noted. G.E. was immediately notified and an explanation for the price increase was requested.

The Buyer then contacted the Program Manager and in a concerted effort, was able to determine G.E.'s supplier for this unit. (Skinner Precision) and exact part number. An RFQ was forwarded to Skinner Precision.

G.E. subsequently advised that they could not reduce the unit cost. The Buyer then contacted Program Management to request authorization from the Army to utilize the Skinner unit.

- COST REDUCTION
- PRESENT PART NUMBER
- QUANTITY THIS MONTH
- NEW PART NUMBER
- ESTIMATED SAVINGS
- RECOMMENDATION
- EST. ANNUAL TOTAL USE
- COST REDUCTION

SUPERVISOR

VALIDATION

Empl. Exh. No. 14(1 of 2)

COST REDUCTION REPORT

Army ACV Spares	V5L35440 Dump Valve	5/19/70
	Skinner Precision	A.G. Saliba

- [ ] MATERIAL OR SPECIFICATION CHANGE
- [ ] CHANGE IN PROCESS
- [ ] REDUCTION IN SCOPE
- [ ] "MAKE" OR "BUY"
- [ ] QUALITY IMPROVEMENT
- [ ] NEW SOURCE
- [ ] NEGOTIATION (DESCRIBE BELOW)
- [ ] STANDARD PRACTICE CHANGE
- [ ] [illegible]
- [ ] ADDITIONAL PROCESSING
- [ ] CHANGE REQUIREMENTS (DO)
- [ ] REDUCTION IN PARTS USE
- [ ] VENDOR RECOMMENDATION
- [ ] OTHER (DESCRIBE BELOW)

EXPLANATION: Results:

1) Authorization from the Army received and formal order for two (2) units placed with Skinner Precision.

2) Alternate source created.

3) Savings:

General Electric - 1 unit @ $58.20

Skinner Precision - 1 unit @ 25.00

Savings ---- $33.20

ORIGINAL UNIT PRICE _____ QUANTITY PURCHASED _____

NEW UNIT PRICE _____ SAVINGS THIS ORDER 33.20

DEVELOPMENT COST _____ DOD APPROVAL COST _____

OTHER SAVINGS _____

SUPERVISOR _____

VALIDATION _____

DISPOSITION _____

Empl. Exh. No. 14 (2 of 2)

COST REDUCTION REPORT #37 Co. Ex #15

PROGRAM	PART NO. & NAME:	DATE:
Helicopter	90-005-5 Latch	7-17-70
CONTRACT:	**VENDOR:**	**BUYER:**
DAA J01-68-A-0022	Avdel, Incorporated	J. T. Beresny

REASON FOR REDUCTION: Ref: P.O. 489823-47

- ☐ MATERIAL SUBSTITUTION
- ☐ CHANGE IN PROCESS
- ☐ REDUCTION IN SCOPE
- ☐ "MAKE" OR "BUY"
- ☐ QUALITY IMPROVEMENT
- ☒ NEW SOURCE
- ☐ NEGOTIATION (DESCRIBE BELOW)
- ☒ CHANGE IN DISCOUNT TERMS
- ☐ CHANGE IN FOB POINT
- ☐ ESTABLISHED BLANKET ORDER
- ☐ COMBINED REQUIREMENTS: EOQ
- ☐ REDUCTION IN PAPER WORK
- ☐ VENDOR RECOMMENDATION
- ☐ OTHER (DESCRIBE BELOW)

EXPLANATION: As a result of the Buyer's persistance and encouragement to Avdel to remain available and to obtain qualification as an alternate source, a savings of $6,123.00 was made possible on this requirement. Avdel was recently approved as a second source against Bell Helicopter Standard Drawing 90-005-5. Since competition was involved on this quote, the price was reduced from $3.75 to $2.75 each. Additionaly a savings of $84.19 will occur on the 1/2% discount offered by Avdel. Hartwell offered no discount.

Savings: $6,123.00
Discount (½%) 84.19
$6,207.19 - Total savings this requirement

J. T. Beresny 7/24/70

NET REDUCTION: (See Summary Attached)

ORIGINAL UNIT PRICE $ 3.75
NEW UNIT PRICE $ 2.75
REDUCTION PER UNIT $ 1.00
QUANTITY THIS ORDER 6,123
REDUCTION THIS ORDER $6,123.00 *
EST. ANNUAL TOTAL RED.
OTHER NET REDUCTION

* + 87% Incl

SUPERVISOR
VALIDATOR
MANAGER

COST REDUCTION REPORT

EMPL. EXH. No. 16

PROGRAM:	PART NO & NAME:	DATE:
Bell Helicopter	3" th X 44" x 96" BHC Spec. 299-947103 Honeycomb	7/24/70
CONTRACT:	VENDOR:	BUYER:
DAAJ01-68-A-0022	Honeycomb Products Co.	E. R. Swannie

REASON FOR REDUCTION:

- [ ] MATERIAL SUBSTITUTION
- [ ] CHANGE IN PROCESS
- [ ] REDUCTION IN SCOPE
- [ ] "MAKE" OR "BUY"
- [ ] QUALITY IMPROVEMENT
- [X] NEW SOURCE
- [ ] NEGOTIATION (DESCRIBE BELOW)
- [ ] CHANGE IN DISCOUNT TERMS
- [ ] CHANGE IN FOB POINT
- [ ] ESTABLISHED BLANKET ORDER
- [ ] COMBINED REQUIREMENTS: EDO
- [ ] REDUCTION IN PAPER WORK
- [ ] VENDOR RECOMMENDATION
- [ ] OTHER (DESCRIBE BELOW)

EXPLANATION: Bell Helicopter Co. Dwgs. 209-060-805 Fwd. Pylon, 209-060-807 Aft Pylon, 209-060-811 Center Pylon and 209-060-882 Door Pylon - Fairings specified the use of a single source item, Hexcel Corp. HRH-10 Honeycomb. The Buyer pursued and succeeded in obtaining qualification of Honeycomb Products Co. material type HMX, to meet BHC Specification. This resulted in Engineering orders being issued by Program Management, allowing the use of the BHC Specification and Honeycomb Products Co. HMX material

NET REDUCTION:

ORIGINAL UNIT PRICE	$11.74/sq ft	QUANTITY THIS ORDER	355 sq ft
NEW UNIT PRICE	$ 9.43/sq ft	REDUCTION THIS ORDER	$820.05
REDUCTION PER UNIT	$ 2.31/ sq ft	EST. ANNUAL TOTAL RED.	

OTHER NET REDUCTION

5

SUPERVISOR

VALIDATOR

MANAGER

BELL AEROSYSTEMS COMPANY
A Textron COMPANY

PURCHASE REQUISITION/PURCHASE ORDER/RECEIVING REPORT

P.O. DATE

P.O. NO. 1320-36

GOV'T. CONTRACT NO. E04701-69-C-0193

PRIORITY RATING CERTIFIED UNDER DMS. REG. 1. DX A2

TERMS

F. O. B.

P.R. NO. 022531

PRICE & DELIVERY PER YOUR

AN ENTRY BELOW CONFIRMS OUR ORDER PLACED.

CHANGE INFORMATION

COPR. NO.

COPO. NO.

CANCEL

DELIVERY

OTHER

AWARD CODE

ROCKETDYNE

BILL — LETTERHEAD ADDRESS AND UNLESS OTHERWISE STATED.

SHIP TO — WHEATFIELD PLANT
NIAGARA FALLS BLVD.
NIAGARA FALLS, N. Y.

SHIP VIA PARCEL POST

ESTABLISHED ROUTING UNLESS OTHERWISE STATED

REQUIREMENT REFERENCE NO. E42091

VENDOR NO. DC

INVENTORY TYPE

ITEM NO.	QUANTITY	U/M	PART NO.	DESCRIPTION	REQ. NO.	ACCT. CODE	SUB. ACCT.	PROJECT NO.	REQUISITION REFERENCE NO.	UNIT PRICE	PER	TOTAL PRICE
				TO AUTHORIZE THE PROCUREMENT OF LONG LEAD MATERIAL TO SUPPORT FABRICATION OF ITEMS 1, 2 & 3 AS LISTED: R8000200-0001-005 (1). 107 PCS. R8000200-0001-005 AXIAL ENGINES. (2). 107 PCS. ST2840004 REV 001 HI-THRUST BI-PROP VALVES FROM MOOG, INC. (MODEL SPEC. S-133-1004-51-6). 2) NOTWITHSTANDING 6.8 SCN A1-5 7-16-69 AND ATTACHMENT #6 TO S-0969-038-00, CCRD CHANGE. (SEE ATTACHMENT CONTINUATION)	8152	200	521					

DCPS

219

219

BUYER'S EXHIBIT 17

ORDERED BY	DATE	FOR	Q.C. CLAUSES	SUBJECT TO — AT RECEIVING INSPECTION	LOCATION	CAP CODE	BUYER NAME	SIGN
	11-03-69	DNW-1RE42-09-01				012		

THIS IS A **PURCHASE ORDER** WHEN P.O. NO. IS ENTERED AND APPROVED BUYER SIGNS BELOW

BUYER NO.

SUGGESTED SOURCE, SPECIAL INSTRUCTIONS, ESTIMATED COST

EXPLAIN IN DETAIL WHERE ITEM(S) WILL BE USED

INFORMATION TO ASSIST IN DETERMINING QUALITY CONTROL CLAUSES

APPROVAL SIGNATURES/STAMPS AND DATES

DEPT. APPR.

QUALITY APPR.

REV.

PROJECT

ACCEPTED FOR Aerojet-General Corporation NOV 4 1969 PURCHASING

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45

(3). 2219 ALUMINUM INJECTOR MATERIAL.

INITIAL SUBCONTRACT COST AUTHORIZED - $5,000.

DATA ITEMS BEING AUTHORIZED WITH DWI-1BE41-01-1, WORK ORDER/COST CODE 8112-010 AND DWI-1BE41-02-1, WORK ORDER/COST CODE 8113-010 ARE ALSO INCLUDED IN THE INITIAL SUBCONTRACT.

IDENTIFICATION AND TRACEABILITY WILL BE IMPOSED PER 8477-9470412, N/C ON THE 2219A.L AND BY ROCKETDYNE ON MOG FOR THE VALVE MATERIALS. ROCKETDYNE WILL DEFINE THE CRITICAL MATERIALS FOR MOG TRACEABILITY.

NOTE: THIS PROCUREMENT IS IN REFERENCE TO ROCKETDYNE QUOTE NO. 69RC6779 DATED 3 JUNE 1969, AND NO. 69RC8132 DATED 23 JUNE 1969. A MARKED-UP STATEMENT OF WORK WITH EXCEPTIONS, DEVIATIONS, ETC, IS TO BE RESOLVED BY BA: AND ROCKETDYNE PRIOR TO RECEIPT OF ALL MATERIAL AT SUBCONTRACTOR.

BELL AEROSYSTEMS COMPANY

CHANGE OF PURCHASE REQUISITION

ORIGINAL P.O. NO. _____

C.O.P.A NO. 1

ORIGINAL P.R. NO. 022531

C.O.P.R. DATE 111969

ORIGINAL P.O. DATE _____

ORIGINAL P.R. DATE 110369

CHARGE NO. [redacted] GOVT. CONTRACT NO. F04701-69-C-0193

BHC-200-50

ROCKETDYNE

DX A-2

REF. NO.	QUANTITY	UNIT	BELL PART NO. / DESCRIPTION	UNIT PRICE	TOTAL PRICE
PURCHASE REQUISITION NOW READS IN WHOLE OR IN PART:					
			LONG LEAD MATERIAL PROCUREMENT		
			SUPPORT FOR 107 UNITS		
			R$ 100220-001-5 AXIAL ENGINES		
			$575,000.00		
PURCHASE REQUISITION IS CHANGED TO READ:					
			CHANGE LONG LEAD MATL PROCUREMENT		
			SUPPORT TO 114 UNITS DUE TO		
			INCLUSION OF IQAT UNITS &		
	10 7		INCREASE FUNDING TO $612,500.00		

APPROVED BY 409

PBPS

11/24

OAP SEZ BELL

REASON(S) FOR THE CHANGE:

Bell Aerosystems Company NOV 20 1969 COPY

WRITTEN BY 111969

AUTHORIZED BY R. Lindsey 111969

BUYER

NO. 36

220B

BELL AEROSYSTEMS COMPANY

CHANGE OF PURCHASE REQUISITION

220B

ORIGINAL P.O. NO. _____

C.O.P.R. NO. 2

ORIGINAL P.R. NO. 022531

C.O.P.R. DATE 020470

ORIGINAL P.O. DATE _____

ORIGINAL P.R. DATE 110369

CHARGE NO. 8112-010-521

GOVT. CONTRACT NO. F04701-69-C-0193 DX42

ROCKETDYNE

REF. NO.	QUANTITY	UNIT	BELL PART NO. / DESCRIPTION	UNIT PRICE	TOTAL PRICE
PURCHASE REQUISITION NOW READS IN WHOLE OR IN PART:					
			CHANGE LONG LEAD MAT'L PROCUREMENT		
			SUPPORT TO 114 UNITS R$ 000020-001		
			AXIAL ENGINES, DUE TO INCLUSION		
			OF 6 AT UNITS & INCR. FUNDING TO		
			$613,520.00		
PURCHASE REQUISITION IS CHANGED TO READ:					
	--	(1)	FABRICATE AS FOLLOWS:		
	107	UNITS	R$ 000020-001-6 ENGINES - CHG. W.O. 8112-010-521		
	3	"	" " " " " 8112-010-522		
			(NOTE: 6 ADDITIONAL ENGINES		
			AUTHORIZED FOR SAMPLING TEST		
			PROCEDURES AT ROCKETDYNE —		
			CHG. W.O. 8112-010-521.)		
		(2)	INCORPORATE ATTACHED N/C in detail by work		
			WORK STATEMENT. statement # 50RL		
			FUNDING IS AUTHORIZED AS [redacted]		
			ALLOCATED ON C.RAE COMMITMENT		
			SCHEDULE OF 12/11/69		

Changes 30V, 34

Documentation req'd.

REASON(S) FOR THE CHANGE:

TO AUTHORIZE FABRICATION OF ENGINES.

FEB 6 1970

WRITTEN BY 020470.

AUTHORIZED BY 020470

BUYER

NO. 30

BELL AEROSYSTEMS COMPANY

CHANGE OF PURCHASE REQUISITION

ORIGINAL P.O. NO.

C.O.P.R. NO. 3

ORIGINAL P.R. NO. 022531

C.O.P.R. DATE 040170

ORIGINAL P.O. DATE

ORIGINAL P.R. DATE 110369

CHARGE NO. 8152-200-521 (Gen Admin)

GOVT. CONTRACT NO. F04701-69-C-0193 DXA2

TY AS

ROCKETDYNE Rev. "E" 9/70

REV. NO.	QUANTITY	UNIT	BELL PART NO./DESCRIPTION	UNIT PRICE	TOTAL PRICE
PURCHASE REQUISITION NOW READS IN WHOLE OR IN PART:					
	104	PCS	R$000200-001-06 AXIAL ENGINE		
			(NOTE: 6 ADDITIONAL ENGINES		
			AUTHORIZED FOR SAMPLING TESTS		
			AT ROCKETDYNE.)		
PURCHASE REQUISITION IS CHANGED TO READ:					
	110		[redacted] 8477-470025-1		
			+(6 UNITS SAMPLING - SAME).		
			EXCEPT -		
			1. CHANGE W.O. CHARGE FROM		
			8112-010-521 TO 8152-200-521		
			AS ABOVE.		
			2. INCORPORATE N/C SPEC. CONTROL		
			DRWG. 8477-470025.		
			3. INCORPORATE SERIALIZATION		4/6
			AAD0301 THRU AAD0416.		
			4. INCORPORATE N/C CIT.		
			5. " DELY SCHEDULE		
			OF 3 PER WK. STARTING 072470.		

PBPS

BAP 343 BELL

APPROVED 4-7-70

REASON(S) FOR THE CHANGE:

As above. R.G. Lindsay

Bell Aerosystems Company APR 2 1970 COST ESTIMATING

WRITTEN BY		AUTHORIZED BY	BUYER	NO.
	040170	R. Lindsay 4/6/70		36

220D

FORM 0000 REV. 100

BELL AEROSYSTEMS COMPANY

CHANGE OF PURCHASE REQUISITION

220D

ORIGINAL P.O. NO. _____

C.O.P.R. NO. 4

ORIGINAL P.R. NO. 022-531

C.O.P.R. DATE 05[illegible]70

ORIGINAL P.O. DATE _____

ORIGINAL P.R. DATE 110369

CHARGE NO.	GOVT. CONTRACT NO.
252-200-521	FC[illegible]701-64-C-0193 - DX12

ROCKETDYNE

REF. NO.	QUANTITY	UNIT	BELL PART NO. / DESCRIPTION	UNIT PRICE	TOTAL PRICE
PURCHASE REQUISITION NOW READS IN WHOLE OR IN PART:					
	116	EA.	8477-470125-1 AXIAL ENGINE		
			S/N's AAD 301 THRU AAD 0446		
PURCHASE REQUISITION IS CHANGED TO READ:					
	116		SAME - EXCEPT INCORPORATE		
			CIL REV. A EFFECTIVE		
			ON S/N AAD 301 & SUBS		

PBPS

Bell Aerosystems Co. PBPS Purchasing ... ORDERED BY ... AAA

REASON(S) FOR THE CHANGE:

INC. CIL Rev.

Bell Aerosystems Company JUN 1 1970 COST ... By

WRITTEN BY	AUTHORIZED BY	BUYER	NO.
052870	052870		36

BELL AEROSYSTEMS COMPANY

CHANGE OF PURCHASE REQUISITION

220E

ORIGINAL P.O. NO. 162099-36
C.O.P.R. NO. 5
ORIGINAL P.R. NO. 025531
C.O.P.R. DATE 061270
ORIGINAL P.O. DATE
ORIGINAL P.R. DATE 110369

CHARGE NO. 8152-200-521 | GOVT. CONTRACT NO. F04701-67-C-0193 | DXA2

POCKET DYNE

REF. NO.	QUANTITY	UNIT	BELL PART NO. /DESCRIPTION	UNIT PRICE	TOTAL PRICE
PURCHASE REQUISITION NOW READS IN WHOLE OR IN PART:					
	110	EA.	8477-470023-1 AXIAL ENGINE		
	6		" " " " " -SAMPLING UNITS		
			S/N's AAD301 THRU AAD 0446.		
PURCHASE REQUISITION IS CHANGED TO READ:					
	110	EA.	SAME		
	6	"	" EXCEPT INCORPORATE CIT REV. B DATED 8 JUNE 70 EFFECTIVE ON S/N AAD 301		
			# SUBS.		

Original Copy #1

PBPS

Bell Aerosystems Co. Buffalo, N.Y. Received by Eng. Dept. 6-17-70

Bell Aerosystems Company JUN 16 1970 Purch. Dept.

REASON(S) FOR THE CHANGE:

AS ABOVE.

WRITTEN BY	AUTHORIZED BY	BUYER	NO.
061270	061270		36

From the desk of: H. E. SMITH

YOUR PURCHASE ORDER MUST INCLUDE THE FOLLOWING STATEMENT:-

"D. C. A. S. DELEGATION OF AUTHORITY IS IN EFFECT ON THIS ORDER"

IT IS THE BUYER'S RESPONSIBILITY TO ASSURE THAT SIX (6) COPIES OF ORIGINAL PURCHASE ORDER, LETTERS OF AWARD OR INTENT, AND ALL SUBSEQUENT CHANGES BE SENT TO PAUL HOEN, DCASO, Z-D-42.

H. E. Smith
Quality Assurance

cly note No. 1 7/21/70

220G

BELL AEROSYSTEMS COMPANY

CHANGE OF PURCHASE REQUISITION

2206

ORIGINAL P.O. NO. 162099-36
C.O.P.R. NO. #6
ORIGINAL P.R. NO. 022531
C.O.P.R. DATE 071370
ORIGINAL P.O. DATE
ORIGINAL P.R. DATE 110569

CHARGE NO. 8152-200-531
GOVT. CONTRACT NO. F04701-69-C-0193-3X42

REF. NO.	QUANTITY	UNIT	BELL PART NO. / DESCRIPTION	UNIT PRICE	TOTAL PRICE
PURCHASE REQUISITION NOW READS IN WHOLE OR IN PART:					
	110	Pc	8477-470025-1 AXIAL ENGINE		
	6	Pc	" " " " " (SAMPLING UNITS)		
			S/N AAD0301 thru AAD0416		
PURCHASE REQUISITION IS CHANGED TO READ:					
	710	Pc	SAME		
	6	Pc	SAME		
			S/N SAME		
			EXCEPT:		
			INC. CII REV'S DATED 6-24-70		
			ATTACHED		
			Change ge clause 300 to 310 ht gold rate per the attached.		

PROS

7/14

DAP 362 BELL

REASON(S) FOR THE CHANGE:

Per above

Bell Aerosystems Company JUL 1 1970 COST DEPT.

WRITTEN BY: [signature] 071370
AUTHORIZED BY: [signature] 071370
BUYER
NO. 36

BELL AEROSYSTEMS COMPANY

CHANGE OF PURCHASE REQUISITION

220N ON S20 REPORT

ORIGINAL P.O. NO. 162059-36

C.O.P.R. NO. 8

ORIGINAL P.R. NO. 022531

C.O.P.R. DATE 092870

ORIGINAL P.O. DATE

ORIGINAL P.R. DATE 110367

CHARGE NO. P1522-200-S21

GOVT. CONTRACT NO. F04701-69-C-0193 DXA2

POCKET DYNE

REF. NO.	QUANTITY	UNIT	BELL PART NO. /DESCRIPTION	UNIT PRICE	TOTAL PRICE
PURCHASE REQUISITION NOW READS IN WHOLE OR IN PART:					
010	110	EA.	8477-470025-1 AXIAL ENGINE-DELIVERABLE		
	(6)	"	" " -1 COAT SAMPLING UNITS- (NON-DELIVERABLE)		
			S/N'S AAD301 THRU AAD0416		
			MATERIAL TYPE A5		
PURCHASE REQUISITION IS CHANGED TO READ:					
	"		8477-470025-1 AXIAL ENGINE		
010	110		CREF. R8000200-001-06 • DELIVERABLE		
	(6)		" " " COAT SAMPLING (NON-DELIVERABLES)		
			DRWG. REV. M, CII REV. D		
			S/N'S SAME AS ABOVE		
			CHG. PT. NO. ON S20 REPORT TO		
			REF. PT. NO. & CHG. MAT'L TYPE TO B2.		
			NOTE: FOR INTERNAL DISTRIBUTION ONLY.		

9/28

REASON(S) FOR THE CHANGE:

TO CONFORM UNDER BFE NO., AS TOP ASSY DRWG WAS NOT CHANGED TO INCORP SCO

WRITTEN BY 092870

AUTHORIZED BY R. Lindsey 092870

BUYER

NO. 36

BELL AEROSYSTEMS COMPANY

INTEROFFICE MEMO

22 October 1969
JRB:69:10:268

Memo to: Mr. J. F. Gill, Vice President/Product Assurance

Copies to: Messrs. H. H. Cleveland, H. F. Koningisor, C. A. Rae, F. M. Seitz, W. D. Sinks

SUBJECT: Zero Defects Program

Reference: 8477-471384-3 Seamless Bellows

In an effort to counteract repeated surface finish problems at DK Aerospace Company, Batavia, Illinois, BAC Procurement has been encouraging and promoting a Zero Defects Program at that facility. We have aroused the interest of DK Aerospace's management and laid the foundation for such a program to the best of our ability.

In order to pursue this effort further, it is requested that the services of Mr. R. A. Gahr be made available to accompany BAC Procurement to DK Aerospace Company to conduct an orientation program.

Upon notification of the availability of Mr. Gahr, such trip arrangements will be made.

James R. Burkard, Buyer
Procurement Department
Ext. 7803, Mail Zone T58

JRB:t

Form 0540 Rev. 1967

BELL AEROSYSTEMS COMPANY

INTEROFFICE MEMO

22 October 1969
JRB:69:10:268

Memo to: Mr. J. F. Gill, Vice President/Product Assurance

Copies to: Messrs. H. H. Cleveland, H. F. Koenigsror, C. A. Rae, F. M. Seitz, W. D. Sisko

SUBJECT: Zero Defects Program

Reference: 8677-471396-3 Seamless Bellows

In an effort to counteract repeated surface finish problems at DK Aerospace Company, Batavia, Illinois, BAC Procurement has been encouraging and promoting a Zero Defects Program at that facility. We have aroused the interest of DK Aerospace's management and laid the foundation for such a program to the best of our ability.

In order to pursue this effort further, it is requested that the services of Mr. R. A. Cahr be made available to accompany BAC Procurement to DK Aerospace Company to conduct an orientation program.

Upon notification of the availability of Mr. Cahr, such trip arrangements will be made.

James R. Barkley, Buyer
Procurement Department
Ext. 7803, Mail Zone T59

JRB:t

T W X

Date 2/10/70 Time P.M. Dept. No. 121 Sender K. W. Knoll, Buyer BA No.

Address:

Santa Fe Springs (City) California (State) TWX: 910-586-1343 (Call Number) PYRONETICS, INCORPORATED (Firm Name)

Attention: Mr. Andy Tierney COPY TO: Mr. H. F. Eckardt, President - Pyronetics, Inc.
COPY TO: Messrs. R. Keehan, F. Monroe, and W. Schwartz - WHO

Message:

SUBJECT: Price Negotiations - Gas and Propellant Isolation Valves - PEPS - RAMSO Production

In reply, please refer to: BELL MESSAGE KWK:70:02:062

On 6 February 1970, price negotiations were temporarily broken off due to inability to reach agreement on firm-fixed price for 599 valves.

The following is a summary of what Bell's final offer was:

Purchase Parts	$ 91.69
Subcontract Items (Cartridge)	$165.00
Planning:	
.2 Hours @ $7.50 = $ 1.50	
Machine Shop:	
6.0 Hours @ $4.49 = $26.94	
Process and Assembly:	
2.4 Hours @ $4.10 = $ 9.84	
Quality Control:	
4.0 Hours @ $4.41 = $17.64	
Reliability and Test:	
1.0 Hours @ $5.40 = $ 5.70	
Total Direct Labor	$ 61.62
Labor Overhead - 158%	$ 97.36
Factory Cost	$415.67
Engineering O/H @ 9.2%	$ 38.24
G & A @ 26%	$108.07
Sub-Total	$561.98
Profit - 10% Net	$ 62.43
SELLING PRICE	$624.41

DO NOT TWX CLASSIFIED INFORMATION

Form 0685

T W X

Date 2/10/70 Time _____ Dept. No. _____ Sender K. W. Knoll BA No. _____

Address:

_____ City _____ State _____ Call Number PYRONETICS, INCORPORATED Firm Name

Attention: _____

Message:

This offer was based on actual direct labor hours as experienced on the previous procurement and overhead rates in accordance with the recently completed DCAA audit.

Bell also offered the hours as stated above using Pyronetics proposed overhead rates (180% Factory Overhead, 14.5% Engineering Overhead and 33.5% G & A) subject to adjustment of the rates downward after completion of the contract and audit by Bell.

As a result of Pyronetics rejection of these two (2) Bell offers, the negotiations were temporarily terminated to be resumed upon completion of the following action by Pyronetics:

1. Furnish Bell with a complete and detailed priced bill of material supported by current vendor quotes or purchase orders for the quantity of valves being fabricated.

2. Furnish a copy of Pyronetics purchase order to SCS for 599 Cartridges at the negotiated unit price.

3. Request a meeting with DCAA to review their findings and recommendations as a result of the recently completed audit.

4. Advise firm date for resumption of negotiations.

Pyronetics estimated lead time for completion of the above items is one (1) week.

Please acknowledge receipt and concurrence by return wire.

K. W. Knoll, Buyer
Procurement Department
Mail Zone T-58

KWK:csg

cc: Mr. J. P. Kamp
KWK:File

DO NOT TWX CLASSIFIED INFORMATION

Pyronetics, inc.
SUBSIDIARY OF COSMODYNE
10025 SHOEMAKER AVE., SANTA FE SPRINGS, CALIFORNIA 90670. PHONES: (213) 723-9281-941-0237 · TWX 910-588-1443

W. F. ECKARDT
PRESIDENT

21 February 1970

Bell Aerospace Company
Division of Textron Inc.
Post Office Box One
Buffalo, New York 14240

Attention: Mr. K. W. Knoll, Buyer
Procurement Department, Zone T 58

Subject: Minuteman II Requirements for 1970

References:
A. Bell RFQ 38-41757 and 38-41754
B. Pyronetics Quotation Letter dated 2 February 1970
C. Bell TWX KWK:70:02:062
D. Bell TWX Msg. No. 35 dated 13 February 1970

Gentlemen:

We have completed the action items resulting from the negotiations conducted in Buffalo during the week of 2 February 1970. Materials cost detail has been submitted under separate cover; we have discussed our proposal with the DCAA auditor.

The offers made by Bell during negotiations are not acceptable to Pyronetics. Pyronetics presented its best price during the negotiations on 6 February, and must stand firm at that point. Consequently, there can be no value in another trip to Buffalo.

A detailed discussion of Pyronetics best offer follows below.

Materials

The materials required to perform the work have been amply justified in our letter.

Mr. K. W. Knoll

21 February 1970

Labor Rates

The labor rates presented (P nning at $7.50/hour, Machine Shop at $4.49/hour, Process and Assembly t $4.10/hour, Quality Control at $4.41/hour and Reliability at $5.70/hour) are acti l current rates, and have been disclosed to Bell in complete detail.

Overhead Rate

Pyronetics was successful in educing overhead costs from $290,769 in 1968 to $248,919 in 1969 (output ba s). The latter figure represents, in our judgment, the minimum staff with he capability to perform work of the Minuteman class. The overhead staff consists of the Production Manager and his Assistant, the Buyer, the Expedit , the Shipping and Receiving Clerk, the Quality Control Manager, the Reliabil y Manager, and two clerks. All of these functions are necessary.

Overhead costs are expected o rise to $270,000 in 1970 as a result of:

1. Wage increases for he overhead staff.

2. Improved fringe ben fits for the entire labor force.

3. Increased depreciat n charges, reflecting the capital improvements mad in 1969.

The direct labor base for es mating 1970 overhead rates is predicated on maintaining approximately the san level of sales achieved in 1969, and the labor estimated to do that work, cons stent with 1969 experience. The assumption of maintaining sales is now questiona le, thanks to the stretchout of the Viking Program; that program contributed substantial portion of our sales forecast.

Consequently, an overhead r te higher than 180% is more likely than a lower rate.

No significant change in inv tory is expected in 1970; therefore considering overhead on an output ba is yields the same answers as use of the input basis.

Engineering Rate

Engineering costs for 1968 d 1969 were $128,044 and $118,225, respectively. Costs for 1970 are ex cted to rise to $132,000, primarily due to the addition of one engineer to bring ur staff to a competent strength level.

Cost of sales in 1970 (assu ng sales of $1,400,000) are expected to be $910,000; consequently, the engine ng rate of 14.5% of cost of sales is reasonable. If sales drop, this rate will, of necessity, increase, because

Mr. K. W. Knoll - - 21 Febr[illegible]

Pyronetics requires adequate engineering support to survive.

G & A Rate

Marketing Department costs were $172,094 in 1968, and $150,165 in 1969. 1970 costs are estimated at $1[illegible],000. The need for an adequate selling staff in today's aerospace market is obvious.

General costs (management and accounting) will continue to show improvement. General costs were $1[illegible],325 in 1968, $105,256 in 1969, and are expected to drop to $96,000 in 197[illegible].

Corporate assessments are estimated at $59,000 for 1970. These assessments are uniformly applied to all the operations of The Cosmodyne Corporation, and are based on assets utilized and input to inventory, on a monthly basis.

Thus, the total G & A pool is expected to cost $305,000 in 1970. Based on the estimated cost of sales ($910,0[illegible]) a rate of 33.5% if expected.

DCAA Audit

We understand that the DCAA audit results were different. Our discussion with the auditor included the methods used for rate determination, and we recognize that Government audit procedures are well defined.

We cannot, however, ignore the facts as they appear. We feel duty bound to reiterate that our proposal rates are reasonable, and are accurate, reflecting the best projections we can make. We are fully aware of our duty to disclose the facts, and to present the truth in negotiations.

Planning Hours

Pyronetics proposed 0.93 hours/valve for planning. Average planning per valve experienced in 1969 was 1.[illegible] hours. During negotiations Pyronetics volunteered to reduce its estimated to[illegible].5 hours/valve. The latter estimate is probably more reasonable, because the actual planning time of the planner is spread out over more units; on the other hand, the troubleshooting duties of the planner will continue.

Machine Shop Hours

Pyronetics proposed 7.25/v[illegible]ve for shop labor, and offered to reduce that estimate to 7.00 hours to help get a settlement. The average valve required 6.0[illegible] machine shop hours in [illegible]69, and the most recent job required 6.62. The factors which led us to estimate an increase in shop time include the

tightening of tolerances incorporated this lot of valves, and the probable scrap loss associated with the contin g trend of 347 stainless steel to be defective, which requires replacemer of entire valve body assemblies.

Process and Assembly Hours

Pyronetics proposed 2.58 ho s/valve for processing and assembly. The average valve required 2.24 hour in 1969. We expect an improvement in this element in the current order. Th s improvement, however, is more than offset by the labor required to constr t shorting plugs: shorting plugs were previously purchased outside.

Quality Control Hours

Pyronetics has proposed 5.7 ours/valve for quality control. The average valve required 4.78 hours in 969. QC costs are expected to increase primarily because of tightened tolera es, additional inspection for material leak paths, increased direct source i pection at Space Ordnance Systems and the inspection of shorting plugs m de in-house rather than purchased.

Reliability Hours

Pyronetics has proposed 1.0 ours/valve for reliability; this function includes in-process and end-item tes g. 1969 experience shows 1.27 hours per valve.

Direct Labor Perspective

The direct labor costs discu ed above total $76.59 per valve. 196 average hours, extended to current r es, were $73.84. The increase tightened tolerances, and a more com lete in-house manufacturing capability (offset by some of the reduction in m erial costs).

The lowest cost job experien ed in 1969 (Lot 4A), corrected for increased wage rates, was $66.36 pe valve. This job was blessed by the absence of leakage through the body p rent metal, and did not include the additional work required by the tighte ing of tolerances and a larger in-house manufacturing fraction.

Cost Breakdown

Materials	$248.29
Planning Labor (0.5 hr)	$ 3.75
Machine Shop Labor (7.0 hr	$ 31.41
Process & Assembly Labor (2.58 hr)	$ 10.58
Quality Control Labor (5.71	$ 25.13

Mr. K. W. Knoll

Reliability Labor (1.0 hr)	$ 5.70
Overhead at 180%	$137.86
Factory Cost	$462.74
Engineering at 14.5%	$ 67.10
General at 33.5%	$155.02
Total Cost	$684.86
Profit at 11.1%	$ 76.01
Selling Price	$760.87

Summary

We have offered reasonable a d accurate proposals and cost information. Our position is:

599 valves at $760.87	$455,761.13
45 CATP tests at $54.06	$ 2,432.70
Ammunition data cards for 5" i units at $6.98	$ 3,866.92
Total Price	$462,060.75

Conclusion

We have fired our best shot. We see no value in further meetings.

Very truly yours,

PYRONETICS, INC.
Subsidiary of Cosmodyne

H. F. Eckardt
President

HFE:mt

Rocketdyne
North American Rockwell

6633 Canoga Avenue
Canoga Park, California 91304

11 June 1970

In reply refer to 70RC6334

Bell Aerospace Company
Division of Textron
Buffalo, New York 14240

Attention: Mr. George J. Morris
Procurement Department
Mail Zone T-58

Subject: Revised Cost Proposal for RS-14
Axial Engine Production Follow-on

Reference: (a) Bell Wire GJM:70:05:075 dated 19 May 1970
(b) Bell Wire GJM:70:05:081 dated 22 May 1970
(c) Rocketdyne Proposal 70RC4079 dated 14 April 1970

Gentlemen:

In response to references (a) and (b), we are forwarding as enclosure (1) our firm cost proposal for the delivery of 125 RS14018 Axial Engines. This proposal supersedes reference (c) which required the delivery of 130 engines.

If additional information is required, please contact J. M. Church at (213) 884-2911.

Very truly yours,

NORTH AMERICAN ROCKWELL CORPORATION
Rocketdyne Division

C. W. Guy
Executive Vice President
Rocketdyne

JMC/bem
RC70-307/1

Enc: See Page 2

Enc: (1) Fifteen copies - Cost Proposal
(2) Fifteen copies - DD Form 633's
(3) Fifteen copies - Certificate of Current Cost or Pricing Data
(4) Fifteen copies - Miscellaneous Certifications
(5) Fifteen copies - DD Form 1564
(6) Fifteen copies - DD Form 1423's
(7) Fifteen copies - Cost Supporting Data

cc: Mr. W. M. Brough
Bell Aerospace Company
Los Angeles, California

Form 1005

T W X

Date 9/1/70 Time ___ a.m. Dept. No. 121 Sender George J. Morris RA No. ___

Address:

Canoga Park (City) California (State) TWX: 213-348-2420 (Call Number) NORTH AMERICAN ROCKWELL CORP., ROCKETDYNE DIVISION (Firm Name)

Attention: Mr. John M. Church

Copy to: Messrs. William Brough and James P. Kapp - WPO

Message:

SUBJECT: Bell Advance Purchase Order Number 488320-36 for Axial Engines

Reference:
(A) Bell TWX GJM:70:03:049
(B) Bell TWX GJM:70:05:075
(C) Bell TWX GJM:70:05:081
(D) Bell TWX GJM:70:06:086
(E) Bell TWX GJM:70:08:141
(F) Bell TWX GJM:70:08:158

In reply, refer to: BELL MESSAGE GJM:70:09:175

1. Reference (E) message authorization for the subject requirements is hereby revised to increase funding from One Hundred and Eighty Thousand Dollars ($180,000.00) to Five Hundred and Twenty-Eight Thousand Dollars ($528,000.00). This amount is for the period of performance through 16 October 1970. You are not authorized to make expenditures or incur obligations in excess of this amount in the performance of this authorization, and Bell's liability shall not exceed such amount in the event of termination.

2. Reference (D) and Reference (F) are revised to authorize performance on all tasks as defined in the above referenced messages.

3. The total quantity of deliverable engines is increased from one hundred and twenty-five (125) to one hundred and thirty (130).

4. Reference (E) message is revised to delete Quality Control Clause Number 310 and reinstate Quality Control Clause Number 300.

5. An MR record will be required for ALL CII items as a part of the end item Acceptance Data Packages.

Please TWX receipt and acceptance of this authorization.

George J. Morris, Senior Buyer
Procurement Department

DO NOT TWX CLASSIFIED INFORMATION

Form 0041

T W X

Date _____ Time _____ Dept. No. _____ Sender George J. Morris DA No. _____

Address:

_____ City _____ State _____ Call Number NORTH AMERICAN ROCKWELL ROCKETDYNE DIVISION Firm Name

Attention: _____

Message:

Copies to: Messrs. M. Chazen
R. Cleveland
R. Hendrickson
J. Huber
C. Kessing
H. Koningisor
R. O'Kell
C. Rae
F. Seitz
A. Smith
H. Smith
H. Sommer
D. Spurling
C. Upper
R. Victor
E. Kielbasa
DCAS Office (8 copies)
GJM:File

DO NOT TWX CLASSIFIED INFORMATION

BELL AEROSYSTEMS COMPANY

INTEROFFICE MEMO

February 12, 1970

Memo to: All Buyers

Copy to: Messrs. F. M. Seitz, W. Hamann, J. Kamp, R. Polker, H. Koningisor, J. Muni, C. Rae, L. Wing

Reference: DJI 121-300
Preparation for and Initiation of a Subcontract

Compliance with the reference DJI is mandatory. Negotiations, under no circumstances, are to be conducted until a pre-negotiation position is established and reviewed with cognizant Procurement management.

In addition, effective immediately, all procurement negotiations that fall within the criteria as set forth in the reference DJI will be conducted in Procurement Conference Room 1000. In the event of a conflict, Miss Jeanne O'Neill will arrange for a suitable alternate.

W. H. Cleveland
Assistant Director of Procurement

APPROVED:

F. M. Seitz
Director of Procurement

Union Exh. No. 1

BELL AEROSYSTEMS COMPANY

DEPARTMENTAL JOB INSTRUCTION

NUMBER M9-001
BAPP NO.
PAGE 1 OF 3
DATE ISSUED 30 June 69
DATE REVISED 8 June 1970

ORGANIZATION Manufacturing
DEPT. Equip. Eng.
FACILITY Wheatfield
REF. BAPP

TITLE **MACHINERY AND EQUIPMENT CONTROL**

I. POLICY/SCOPE

In accordance with Company (BAPP) and Armed Services Procurement Regulations (ASPR), adequate inventory records will be maintained to control all company property, and usage records to assure maximum utilization of Government property categorized as industrial plant equipment.

II. RESPONSIBILITIES

A. General

The Manufacturing Department will maintain and administer, in accordance with sound commercial business practices, a program for the utilization maintenance, repair, protection and preservation of Industrial Plant Equipment so as to assure its availability and usefulness for the accomplishment of in-house contracts.

B. Manufacturing Equipment Engineering

1. Prepare and/or investigate (for other functional groups) all Major Expenditure Requests (BAC 0377) (MER) for machinery and related production equipment.
2. Prepare specifications as required. Evaluate and prepare Purchase Requisitions for approved machinery and equipment MER's and Sales Orders (Facility Contracts).
3. Coordinate efforts of Plant Layout, Plant Engineering, Procurement, Manufacturing, Maintenance, outside contractors and vendors relative to procurement delivery and installation of equipment.
4. Maintain responsible procurement, receipt, location, inventory and disposition records of Company and Government Industrial Plant Equipment.
5. Coordinate installation or relocation of machinery and related production equipment, including as required, the approvals of the responsible Company and Governmental Agencies.
6. Inventory machinery and related production equipment on a cyclic basis in accordance with BAPP 45-013, Supplement C.
7. Prepare surplus declarations and coordinate shipment of Company and Government machinery and related production equipment.
8. Administer Machine & Equip. Storage Area.
9. Maintain machine tool historical analysis file.
10. Investigate and coordinate in advance major modifications and/or rehabilitation to Company and Government machinery and related production equipment, including as required, the approvals of the responsible Company and Governmental Agencies.
11. Prepare documentation for modernization/replacement of Company and Government machinery and equipment.
12. Provide Manufacturer's Service Engineers as required (for equipment still under warranty or older - as requested by Maintenance).
13. On a monthly basis prepare and distribute to the pertinent manufacturing superintendents Industrial Plant Equipment (IPE) utilization log sheets. Upon

Union Exh. No. 11(1 of 6)

pickup of prior months IPE log sheets, review any questionable items with the responsible superintendent.

14. Submit utilization log sheets to the supervisor of MEE.
15. As required, assist Government representatives in reviewing operations and records as they pertain to control of machinery and equipment.

C. Maintenance

1. Install machinery and related production equipment.
2. Relocate, as required, all machinery and equipment when authorized by M.E.E. Note: This may be accomplished by outside contractors.
3. Report machinery and related production equipment which appears not to have been operated since the last inspection to Manufacturing Equipment Engineering.
4. Inspect and maintain machinery and equipment in accordance with BAPP 40-002.

D. Supervision (Fabrication Areas)

1. Obtain cooperation of personnel in providing a degree of daily machinery and equipment maintenance.
2. Request service from Maintenance for repairs or adjustments which become necessary between scheduled machinery and equipment inspection.
3. On a daily basis indicate equipment usage by posting work order number in the block provided on the log sheet.
4. At month end affix signature to the log sheet and hold for pickup by MEE.
5. Report immediately to Manufacturing Equipment Engineering any idle machinery and equipment.

E. Plant Engineering

1. Coordinate all major departmental relocations with Manufacturing Equipment Engineering.
2. Provide MEE with new or changed departmental layouts and/or plant layout move analysis reflecting machinery and equipment locations.

III. PROCEDURE

A. Maintenance will:

1. In the course of their regularly scheduled inspection (refer BAPP 40-002) report any machinery and equipment which appears not to have been operated since the last inspection to the MEE Supervisor.

BELL AEROSYSTEMS COMPANY

DEPARTMENTAL JOB INSTRUCTION

NUMBER MO-001
BAPP NO.
PAGE 3 OF 3
DATE ISSUED 20 June 69
DATE REVISED 8 June 1970

ORGANIZATION Manufacturing FACILITY Wheatfield
DEPT. Equip. Eng. REF. BAPP

TITLE **MACHINERY AND EQUIPMENT CONTROL**

2. Upon receipt of a Maintenance Service Request (MSR) (BAC 1162) to relocate machinery and equipment:
   a. Check for MEE authorization signature prior to moving item (see following note)
   b. Relocate item and
   c. Send copy MSR to MEE on completed relocations.
3. Upon receipt of a Plant Equipment Request and layout drawing of a major relocation
   a. Check for MEE signature prior to departmental relocation (see following note)
   b. Relocate department

NOTE: No machinery and equipment will be moved without prior MEE signature attesting to their knowledge of the move.

B. Manufacturing Equipment Engineering Supervisor or his designate will:

1. Sign all MSR's and plant layout drawings, prior to move, attesting to knowledge of the relocation of machinery and equipment.
2. Upon receipt of the MSR's and marked-up plant layouts indicating that relocations have been completed, direct changes to be made to equipment location records to reflect new location.
3. Upon receipt of the monthly utilization log sheets take the following action:
   a. Review actual usage of each machinery and equipment item.
   b. If any items reviewed indicate a downward trend in the level of utilization contact the Director of Manufacturing.

C. The Director of Manufacturing will:

1. Contact Project Management to ascertain if production schedules for certain programs will increase or decrease.
2. Contact Marketing relative to new business currently in process
3. Advise Manufacturing Equipment Engineering as to course of action.

D. Manufacturing Equipment Engineering Supervisor will:

1. If future schedule or new business commitments indicates retention prepare, as required, the necessary substantiation statements for I.P.E.
2. If future schedules or new business commitements do not indicate an increase in the utilization of the particular machine family coordinate surplusing action with Manufacturing Fabrication Supervision.
3. Surplus in accordance with BAPP 45-013, Supplement C or BAPP 15-003.
4. Maintain file of utilization log sheets and action taken on all I.P.E. reflecting a drop in utilization.

DUTIES & RESPONSIBILITIES OF MACHINERY AND EQUIPMENT SECTION PLANNERS.

PLANNERS: Charles B. Rowe and Stanley W. Lochocki

(1) Production Engineering (Machinery and Equipment Section) will investigate all requests for all equipment with the exception of office furniture. This includes machine tools, production equipment, benches, racks, bins, material handling equipment, laboratory and test equipment, and portable tools. (See attached procedure for purchase requisition authorization).

(2) Maintain responsibility, utilization, and location records of all equipment. (Air Force requirement)

(3) Issue purchase requisitions for all equipment and maintain status and receiving record of same.

(4) Initiate P.E.R.'s, Move Orders, and M.S.O.'s for movement, installation, or transfer of all equipment (See #2) and coordinate with Plant Layout.

(5) Initiate action for the maintenance and repair of all equipment and maintain records of repair work done, lost time, and costs.

(6) Prepare capital budget estimates as related to Machinery and Equipment requirements and control and audit same upon approval.

(7) Investigate and prepare Production Engineering estimates on new projects of increased schedule requirements for Manufacturing, Quality and Test Divisions and upon approval support procurement function.

(8) Investigate, prepare, and submit Facilities and Supply Contract Appendices and Supplements to Contracts Division and support and coordinate with that divisinn in order to gain approval from governmental agencies.

(9) Investigate and submit requirements as indicated to Long Range Planning and Estimating Department for new projects.

(10) Determine Manufacturing, Quality, and Test Department requirements specifications through coordinated efforts with supervisors of those departments.

(11) Justify expenditure of capital and overhead funds and administer same after approval.

(12) Coordinate efforts of Plant Layout, Methods Improvement, Plant Engineering, Maintenance, outside contractors and vendors relative to procurement, delivery, and installation of projects.

(13) Assist in instruction of employees on unfamiliar equipment and coordinate the development of personnel training programs.

(14) Coordinate with vendors regarding details of specifications, design, quotations, delivery and installation of equipment.

(15) Inspect and evaluate surplus government plants and equipment (stock listed and non-stock listed) relative to project program requirements. Supply data (adaptability and justification) and process with Contracts Division to proper governmental agencies in an attempt to procure same. (Air Force Requirement)

(16) Investigate requirements and prepare specifications for specialized equipment.

(17) Maintain Air Force Historical Records. When equipment is declared surplus, Department Supervisor must be contacted and if not justified surplus action taken. A 51 Form must be made and brought up to date, adding information which was not required on old 51 forms, such as motor data, new commodity code, accessories, etc. Machine information must be checked against machine if necessary. All accessories must be located & identified with tags and placed with machine. Machine REpair Request must be written to have Machine cleaned and preserved per Military Specifications, prior to disconnecting and moving to shipping area for skidding. Skid orders must be requested from shipping for each Machine. When machine is shipped, Historical Records & form DD-250 must be delivered o to Air Force Office within 24 hours of shipment. Machines, plant cleared & sold or scrapped must have tags removed & delivered to Asset Records. Air Force Utilization Reports are made monthly to Air Force Office showing number of days per month Air Force Equipment is being used. This is a visual and personal check made by personnel of Machinery & Equipment Group.

(18) If, for any reason outside Vendors must come in the Plant, Machinery & Equipment people escort these people to machine and if necessary remain with them until work or survey is completed.

(19) Sales Orders issued by Contracts Department regarding Air Force Equipment must be processed. Equipment must be located, and processed as outlined above.

ATTACHMENT

Procedure for Ordering Machinery and Equipment

When new equipment is required to complete current or new projects and/or contracts, the department head requiring the equipment will prepare an appropriation request (BAC Form A6-57).

The Machinery and Equipment Section will act as an investigating department to establish the need and/or availability of the equipment in present facilities and also determine whether an item is applicable to a facility or supply contract or if it must be budgeted as a capital expenditure. This section will also be responsible to secure the appropriate authorized signatures. When the proper signatures are obtained, this will constitute authority to issue a purchase requisition to buy the equipment. A purchase requisition will be prepared by the Machinery and Equipment Section and authorized by the Production Engineering Manager or his designated personnel.

The following is the proper distribution of the four copies of the appropriation request: Two copies will be forwarded together with the purchase requisition to the Accounting Department for their records, one copy will be sent to the Administrative Program Department, one copy will be sent to appropriate contracts department for their records.

The purchase requisition number and date issued will be indicated on all appropriation requests.

The Accounting Department will forward the purchase requisition and one copy of the appropriation request to Assets Records to have the proper U. S. Air Force identification number put on the requisition. The Assets Records Section will forward the purchase requisition to the Purchasing Department for issuance of a purchase order. A copy of the purchase order will be sent to the Machinery and Equipment Section for follow up.

The appropriation request (BAC Form A6-57) when issued against a government contract will be signed in Section IX by the Senior department head. The appropriation request will then be signed by the appropriate contracts administrator (one copy).

When the request is issued for a capital expenditure item the Division Manager will sign the approval in Section XIV and the comptroller will sign the authorization.

Union Exhibit No. 121 (of 121)

Extron

PURCHASE REQUISITION/PURCHASE ORDER/RECEIVING REPORT

P1V

P.O. NO 024091

BILL — LETTERHEAD ADDRESS AND UNLESS OTHERWISE STATED
SHIP TO — WHEATFIELD PLANT
NIAGARA FALLS BLVD
NIAGARA FALLS N Y

REQUIREMENT REFERENCE NO NIR S/N 69106

LINE NO	QUANTITY	U/M	PART NO	DESCRIPTION						
1	1			Modified Electron Beam Welder, Model NHV (6) 523634, with a universal rotary fixture modified to provide a speed range of .12 to 100 RPM, and having all required features and capabilities to effect operations similar to S/N 301 machine, purchased on Bell P.O. 595009-1, dated 5-29-67.					105,000-	
2	1			Motor Generator Set to stabilize input power.					3,650-	
3	1			Automatic vacuum sequencing system.					3,760-	
4	1			Beam On-Off Variable Taper Control					4,300-	
5	1			Modified Eccentric Table to generate a circle from 0" to 2" dia. and provide rotary speed up to a maximum of 120 RPM					4,450-	

(CONTINUED - Page 2)

QC CLAUSES — SUBJECT TO AT RECEIVING INSPECTION

AUTHORIZED SIGNATURE

TOTAL

C. J. Metz 5-31-69 CSL J. Smith/J. P. Domino Dept. 590 C

BUYER NAME

17

THIS IS A PURCHASE ORDER WHEN P.O. NO IS ENTERED AND APPROVED BUYER SIGNS BELOW

Hamilton Standard
Division of United Aircraft Corporation
Windsor Locks, Connecticut.

APPROVAL SIGNATURES STAMPS AND DATES

DEPT
AUTH
QUALITY
AUTH
PLT

ACCOUNT NO

DPC NATOR COPY

bell AEROSYSTEMS A textron COMPANY

PURCHASE REQUISITION/PURCHASE ORDER/RECEIVING REPORT

P.O. DATE

P.O. NO. C0[illegible]

CHANGE INFORMATION

COPR NO
COPO NO
CANCEL
DELIVERY
OTHER

REQUIREMENT REFERENCE NO.

VENDOR NO

INVENTORY TAG

F.O.B.

PRICE & DELIVERY PER YOUR

AN ENTRY BELOW CONFIRMS OUR ORDER PLACED.

BILL — LETTERHEAD ADDRESS AND UNLESS OTHERWISE STATED.
SHIP TO — WHEATFIELD PLANT
NIAGARA FALLS BLVD.
NIAGARA FALLS, N. Y.

MAP NO.

ESTABLISHED ROUTING UNLESS OTHERWISE STATED

ITEM	QUANTITY	U/M	PART NO.	DESCRIPTION	ORDER UNITS	CONV CODE	COST PER	REQUIRED DATE	SCHEDULED DELIVERY DATE	UNIT PRICE	EXTENSION
6	1			Beam Timer with a dual range of 20 seconds and 120 seconds with dial divisions of .1 second. To be interconnected with the beam footswitch.							1,2[illegible]
7	1			Vernier Bias Control System							1,3[illegible]
8	1			Shunt Package consisting of required wiring and jacks to plug in a Texas Instrument Visicorder II, 3 channel strip chart recorder. It shall furnish signals to the recorder for voltage, beam current and focus current. A complete set of schematics and wiring diagrams of this installation shall be furnished at time of delivery. (CONTINUED - Page 3)							3,[illegible]

Q.C. CLAUSES

SUBJECT TO — AT RECEIVING INSPECTION

AUTHORIZED SIGNATURE

TOTAL

BUYER

NAME

DATE

C. J. Pots 5-14-69 DATE C-24 DEPT. J. Smith/J. Donine LOCATION Dept. 590 CRIB MAP CODE

Hamilton Standard.

APPROVAL SIGNATURES STAMPS AND DATES

DEPT.
AUTH.
QUALITY
AUTH.
REP.
PROJECT
ACCOUNTING

THIS IS A PURCHASE ORDER WHEN P.O. NO. IS ENTERED AND APPROVED BUYER SIGNS BELOW

BUYER NO.

SUGGESTED SOURCE
SPECIAL INSTRUCTIONS
ESTIMATED COST

EXPLAIN IN DETAIL WHERE ITEM(S) WILL BE USED

INFORMATION TO ASSIST IN DETERMINING QUALITY CONTROL CLAUSE(S)

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47

ORIGINATOR COPY

Extron COMPANY

PURCHASE REQUISITION/PURCHASE ORDER/RECEIVING REPORT

PO NO 024,092 Page #3

PR NO 024144

BILL — LETTERHEAD ADDRESS AND UNLESS OTHERWISE STATED
SHIP TO — WHEATFIELD PLANT
NIAGARA FALLS BLVD.
NIAGARA FALLS, N. Y.

QUANTITY	U M	PART NO	DESCRIPTION	TOTAL PRICE
			The viewing scope shall be the same power, style and have the same reticle divisions as the scope furnished with S/N 269 Welder, except graduations shall extend in the X and Y directions, instead of only X. This is in accordance with commitment made by Mr. Olaf Olsen of Hamilton Standard.	
			This machine shall meet all conditions itemized in your quote Q69-43-1, dated 3/21/69, and individual Hamilton Standard specification sheets identified as additional pages of Q69-43-1 and attached hereto as part of Bell Purchase Order. Exceptions to said specifications are itemized in the following "NOTES."	

Q C CLAUSES

SUBJECT TO — AT RECEIVING INSPECTION

AUTHORIZED SIGNATURE

TOTAL

BUYER G. J. Nats DATE 5-14-69 CODE C5L FOR J. Smith/J. Donine Hamilton Standard

LOCATION Dept. 590 CHG TYP E

BUYER NAME DATE NO 27

THIS IS A PURCHASE ORDER WHEN P.O. NO. IS ENTERED AND APPROVED BUYER SIGNS BELOW

BUYER NO

SUGGESTED SOURCE
SPECIAL INSTRUCTIONS
ESTIMATED COST

EXPLAIN IN DETAIL WHERE ITEM(S) ARE TO BE USED

INFORMATION TO ASSIST IN DETERMINING QUALITY CONTROL LEVEL

APPROVAL SIGNATURES STAMPED AND DATED

DEPT AUTH
PROJECT
QUALITY AUTH
ACCOUNTING
REP

ORIGINATOR COPY

AIRSYSTEMS A extron COMPANY

PURCHASE REQUISITION/PURCHASE ORDER/RECEIVING REPORT

P.O. NO. 026792 Page #4

P.R. NO. 1024175

CHANGE INFORMATION
COPR NO
COPO NO
CANCEL
DELIVER
OTHER

BILL — LETTERHEAD ADDRESS AND UNLESS OTHERWISE STATED
SHIP TO — WHEATFIELD PLANT
HIAGARA FALLS BLVD
NIAGARA FALLS, N. Y.

REQUIREMENT REFERENCE NO

VENDOR NO

INVENTORY TYPE

QUANTITY	U/M	PART NO	DESCRIPTION	TOTAL PRICE
			The welding chamber shall be 52" wide, 36" deep and 36" high, with a clear work area of 52" x 36" x 27" high, from top of table to ceiling of cabinet. The work table travel is 25½" in X direction, and 17" in the Y direction. The table size is 25½" x 17" of heavy duty construction to adequately manipulate up to 1,000 lbs.	
			The timer, adjustable beam programming device (Item 6 of P.O.) shall start timing from the instant the beam is put on, thereby including up slope in the time cycle. When timer "times out", the signal for down slope will be initiated.	

Q C CLAUSES

SUBJECT TO — AT RECEIVING INSPECTION

AUTHORIZED SIGNATURE

DATE

LOCATION

BUYER

NAME

APPROVAL SIGNATURES STAMPS AND DATES

DEPT

AUTH

QUALITY

AUTH

BY

PROJECT

ACCOUNT NO

5-24-65

THIS IS A PURCHASE ORDER WHEN THIS NO. IS ENTERED AND APPROVED BY BUYER SIGNS BELOW

BUYER

NO.

Union Exh. No. 12A (1)

AMERICAN SYSTEMS A Textron COMPANY

PURCHASE REQUISITION/PURCHASE ORDER/RECEIVING REPORT

021-221 Page #5

024116

BILL — LETTERHEAD ADDRESS AND UNLESS OTHERWISE STATED
SHIP TO — WHEATFIELD PLANT
NIAGARA FALLS BLVD
NIAGARA FALLS, N Y

ESTABLISHED POLICIES UNLESS OTHERWISE STATED.

QUANTITY	U/M	PART NO	DESCRIPTION
			NOTES:
			(a) The timing system shall be wired in the same manner as machine, S/N 301, which permits simulating a run without setting CV or gun.
			(b) Work table shall be of heavy duty design having five stitch points to furnish maximum stability, similar to machine S/N 301.
			(c) Three (3) complete sets of operating and maintenance manuals shall be furnished, including all drawings, and schematics covering modifications, interconnection of N.C. sets and complete maintenance instructions of all accessories and equipment manufactured by others.
			(CONTINUED ON PAGE #6).

O. J. Nels — C54 — J. Smith/J. P. Downe — Dept. 590 — 17

A PURCHASE ORDER WHEN SIGNED IS ENTERED AND APPROVED BY SIGNS BELOW

Hamilton Standard.

PURCHASE REQUISITION/PURCHASE ORDER/RECEIVING REPORT

extron COMPANY

BRANT

BILL — LETTERHEAD ADDRESS AND UNLESS OTHERWISE STATED
SHIP TO — WHEATFIELD PLANT
NIAGARA FALLS BLVD
NIAGARA FALLS, N. Y

QUANTITY	U M	PART NO	DESCRIPTION
			(d) At the discretion of Bell Aerosystems, this machine may be inspected, in operation, at the Hamilton Standard Facility, before shipment to Bell. Hamilton Standard to notify Bell when available for inspection.
			(e) Machine shall be arranged to operate on 460 volt, 3 phase, 60 HZ service.
			(f) The mechanical pumps shall be isolated from the machine by nyloc couplings to impart a minimum of vibration to the work table.
			(g) There shall be no compression shift in table or work positioning equipment when the access doors are closed and vacuum is drawn.
			(h) The cooling water piping system shall be so designed as to eliminate interaction of the drain lines from mechanical pump and diffusion pump.

(CONTINUED ON PAGE 27)

Q. J. Metz — CSK — J. Smith/J. Domino — Dept. 590

THIS IS A PURCHASE ORDER WHEN P.O. NO. IS ENTERED AND APPROVED

Hamilton Standard

27

AEROSYSTEMS
A extron COMPANY

PURCHASE REQUISITION/PURCHASE ORDER/RECEIVING REPORT

PO NO 824071 Page 17

PO NO 824078

BILL — LETTERHEAD ADDRESS AND UNLESS OTHERWISE STATED
SHIP TO — WHEATFIELD PLANT
NIAGARA FALLS BLVD
NIAGARA FALLS, N. Y

CHANGE NOTICE NO
COPO NO
COPO NO
CANCEL
DELIVERY
OTHER

REQUISITION REFERENCE NO

VENDOR NO

INVENTORY TYPE

QUANTITY	U/M	PART NO	DESCRIPTION	TOTAL PRICE
			(h) continued:	
			This will prevent restrictions in the lines and allow free flows from all	
			sources.	
			(i) Per Hamilton Standard specifications, Vacuum System shall consist of a	
			300 CFM mechanical forepump, 10 in. 4200 l/s fractioning oil diffusion pump	
			and 35 CFM mechanical pump booting in diffusion pump. All necessary valves,	
			operating in proper sequence and timing shall be automatic, in accord with	
			Item f) of this Purchase Order.	
			(j) At the time of delivery of this machine, a factory field engineer will	
			assist in its installation and check-out and instruct Bell personnel in its	
			operation and maintenance.	

Q C CLAUSES

SUBJECT TO — AT RECEIVING INSPECTION

AUTHORIZED SIGNATURE

BUYER

NAME

DATE

NO 17

G. J. Nota

DEPT 054

PCA J. Smith/J. Donino

LOCATION Dept. 590

THIS IS A PURCHASE ORDER WHEN NO IS ENTERED AND APPROVED BUYER SIGNS BELOW

BUYER NO

Hamilton Standard.

APPROVAL SIGNATURES STAMPS AND DATES

DEPT

AUTH

PROJECT

QUALITY

AUTH

ACCOUNTING

REP

ORIGINATOR COPY

247

-30-

Union Exh. No. 12(7 of 12)

AEROSYSTEMS A BELL AEROSPACE COMPANY

PURCHASE REQUISITION / PURCHASE ORDER/RECEIVING REPORT

PO NO

PO DATE

FOB

PROJECT RATING CERTIFIED UNDER DMS REG 1

RUSH

AN ENTRY BELOW CONFIRMS OUR ORDER PLACED

CHANGE INFORMATION

COPY NO

COPO NO

CANCEL

DELIVERY

OTHER

AWARD CODE

BILL — LETTERHEAD ADDRESS AND UNLESS OTHERWISE STATED

SHIP TO — WHEATFIELD PLANT
NIAGARA FALLS BLVD.
NIAGARA FALLS, N. Y.

[MAP NO. 10]

REQUIREMENT REFERENCE NO

S
NV
II
PA

ESTABLISHED ROUTING UNLESS OTHERWISE STATED

VENDOR NO

INVENTORY TYPE

ITEM NO	QUANTITY	U/M	PART NO	DESCRIPTION	VENDOR QUOTE	COST CODE	COST DATA	REQUIRED DATE	SCHEDULED DELIVERY DATE	ACCOUNTING CLASSIFICATION	TAX	TOTAL PRICE
				(k) All electrical apparatus of this facility must comply with J.I.C. specs.								
				(l) Final acceptance shall be made after complete installation at Bell Aerosystems Wheatfield Plant, and machine is in full operation, making the weld detailed on Page 069-43-13 to the satisfaction of Bell Quality Dept. This assembly consists of a Columbium -1% Zirconium injector E.B. welded to a liner, SCB-591 (80% Columbium, 10% Tantalum, 10% Tungsten.)							
				(m) Purchasing Department to route copy of Purchase Order to Primary Standards, Dept. 677, to assure certification on instrumentation after installation of equipment.							
				(CONTINUED ON PAGE 69)								

Q. C. CLAUSES

SUBJECT TO — AT RECEIVING INSPECTION

AUTHORIZED SIGNATURE

TOTAL

ORIGINATOR

DEPT

TOOL

FOR

LOCATION

CHG

TAX CODE

BUYER

DATE

NAME

G. J. Nets

054

J. Smith/J. Domino

Dept. 590

27

THIS IS A PURCHASE ORDER WHEN P.O. NO. IS ENTERED AND APPROVED BUYER SIGNS BELOW

SUGGESTED SOURCE
SPECIAL INSTRUCTIONS
ESTIMATED COST

Hamilton Standard.

EXPLAIN IN DETAIL WHERE ITEM(S) WILL BE USED

INFORMATION TO ASSIST IN DETERMINING QUALITY CONTROL CLAUSE(S)

APPROVAL SIGNATURES STAMPS AND DATES

DEPT AUTH

PROJECT

QUALITY AUTH

PEP

ACCOUNT NO

A extron COMPANY

PURCHASE REQUISITION/PURCHASE ORDER/RECEIVING REPORT

C21-592 PAGE 49

DRAWN

BILL — LETTERHEAD ADDRESS AND UNLESS OTHERWISE STATED
SHIP TO — WHEATFIELD PLANT
NIAGARA FALLS BLVD
NIAGARA FALLS, N. Y

ESTABLISHED ROUTING UNLESS OTHERWISE STATED

LINE NO	QUANTITY	U/M	PART NO	DESCRIPTION	WORK ORDER	COST CODE	COST DATE	REQUIRED DATE	SCHEDULED DELIVERY DATE	LAST PRICE PAID/CHARGE	T.T. TAX	TOTAL PRICE
				(n) Price to include a selective training course lasting one (1) week, for maintenance people and operators.								
				(o) One Auxiliary Cannon plug shall be installed within the chamber to power Bell tooling, at no additional charge, per wire of Mr. O. Olsen of 3-19-69 and quote.								
				(p) The variable speed of the universal rotor fixture, from .12 to 100 RPM shall have a Plus/Minus 1% accuracy of regulation over entire range.								
				(q) Digital readout dials are required for all power inputs to electron beam gun and focusing lens (except beam current control) to insure accurate reproduction of welding parameters.								

Q C CLAUSES

SUBJECT TO AT RECEIVING INSPECTION

AUTHORIZED SIGNATURE

TOTAL

G. J. Metz — DATE — CODE — FOR J. Smith/J. Donino — LOCATION Dept. 590 — CODE — NAME CODE — BUYER — DATE — NAME — 17

THIS IS A PURCHASE ORDER WHEN P.O. NO IS ENTERED AND APPROVED BUYER SIGNS BELOW

Hamilton Standard.

BUYER NO

APPROVAL SIGNATURES STAMPS AND DATES

DEPT AUTH — PROJECT

QUALITY AUTH REP — ACCOUNT NO

BELL AEROSYSTEMS COMPANY
Textron

P... HA... EQU...TION... PURCHASE ORDER/RECEIVING REPORT

D2M124

CHANGE INFORMATION
COPE NO
COPD NO
CANCEL
DELIVERY
OTHER

BILL — LETTERHEAD ADDRESS AND UNLESS OTHERWISE STATED.
SHIP TO — WHEATFIELD PLANT
NIAGARA FALLS BLVD.
NIAGARA FALLS, N. Y.

ESTABLISHED ROUTING UNLESS OTHERWISE STATED

QUANTITY	U/M	PART NO	DESCRIPTION
			(r) Machine finish shall match that supplied on S/N 301, S/N 269, and S/N 243.
			(s) All safety requirements of New York State and Bell Aerosystems must be observed. No radiation levels shall exist, if an individual is consistently present in the area, could result in his receiving a dose in excess of 2.0 MILLIRENS in any one hour, or if an individual is consistently present in the area, could result in his receiving a dose in excess of 100 MILLIRENS in any seven (7) consecutive days.
			(t) Interior chamber surfaces shall have a #63 microinch finish or better.
			(u) All moving parts shall have readily accessible provisions for adequate lubrication.

VENDOR NO
INVENTORY TYPE
TOTAL PRICE

Q. C. CLAUSES
SUBJECT TO — AT RECEIVING INSPECTION
AUTHORIZED SIGNATURE
TOTAL

O. J. Nets — DATE — FOR C54 — FOR J. Smith/J. Domino — LOCATION Dept. 590 — BUYER NAME — DATE — 17

THIS IS A PURCHASE ORDER WHEN P O NO IS ENTERED AND APPROVED BUYER SIGNS BELOW
BUYER — NO

SUGGESTED SOURCE Hamilton Standard.
SPEC & INSTRUCTIONS
ESTIMATED COST
EXPLAIN IN DETAIL WHEN ITEMS ARE NOT USED
IMPORTANT DATA USED IN DETERMINING

APPROVAL SIGNATURES STAMPS AND DATES
DEPT
AUTH
QUALITY
AUTH
REP
PROJECT
ACCOUNT NO

-33-

Union Exh. No. 12 (10 of 12)

250

AEROSYSTEMS A Unit of Company

PURCHASE REQUISITION / PURCHASE ORDER/RECEIVING REPORT

P.O. DATE

P.O. NO. 026091 Page 1

P.R. NO. BRANDS

PRIORITY RATING CERTIFIED UNDER DMS REG. 1 | TERMS | F.O.B.

CHANGE INFORMATION

WE'LL DELIVER PER YOUR | AN ENTRY BELOW CONFIRMS OUR ORDER PLACED.

CODE NO / COPO NO / CANCEL / DELIVERY / OTHER

REQUIREMENT REFERENCE NO.

AMARC CODE

BILL — LETTERHEAD ADDRESS AND UNLESS OTHERWISE STATED.
SHIP TO — WHEATFIELD PLANT
NIAGARA FALLS BLVD.
NIAGARA FALLS, N. Y.

ESTABLISHED ROUTING UNLESS OTHERWISE STATED

SHIP VIA

VENDOR NO | INVENTORY TYPE

ITEM NO	QUANTITY	U/M	PART NO	DESCRIPTION	NEED QUOTE	COST CODE	COST DATA	REQUIRED DATE	CONFIRMED DELIVERY DATE	UNIT PRICE PER HUNDRED THOUSAND	P.E.	TOTAL PRICE
				(v) All replaceable parts shall be manufactured to definite standards for tolerance, clearance, and finish, in order that any such part may be field installed without further machining. Where possible, all parts shall be permanently and legibly marked with the manufacturer's part number.							
				(w) The entire system shall be certified to meet all FCC regulations.							
				(x) With reference to Item #8 of P.O., the Texas Instruments recorder will accept current input resistances of 200,000 ohms per volt, and a 40 millivolt signal as specified in Hamilton Standard Quote No. 669-43-1.							
				(y) Installation drawings to be received thirty (30) days after receipt of Purchase Order.							

Q.C. CLAUSES | SUBJECT TO — AT RECEIVING INSPECTION | AUTHORIZED SIGNATURE | TOTAL

ORIGINATOR: G. J. Nota | DATE | TOOL: C5h | BUY: J. Smith/J. Donine | LOCATION: Dept. 590 | CODE | SUB CODE | BUYER | NAME | DATE | NO. 17

THIS IS A **PURCHASE ORDER** WHEN P.O. NO. IS ENTERED AND APPROVED BUYER SIGNS BELOW

BUYER _____ NO _____

SUGGESTED SOURCE (FOR ALTERNATIONS ESTIMATES ONLY)

Hamilton Standard.

APPROVAL SIGNATURES STAMPS AND DATES

DEPT AUTH | PROJECT

QUALITY AUTH

REP | ACCOUNTING

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47

SAC 2740 Rev. 12-68

COPY NOT TO SCALE

-34- Union Exh. No. 12 (11 of 12)

251

BELL AEROSYSTEMS A Textron COMPANY

PURCHASE REQUISITION/PURCHASE ORDER/RECEIVING REPORT

P O DATE

P O NO 021771 Page 12

P R NO 021827

TERMS

F O B

CHANGE INFORMATION

COPS NO

COPO NO

CANCEL

DELIVERY

OTHER

REQUIREMENT REFERENCE NO

VENDOR NO

INVENTORY TYPE

AN ENTRY BELOW CONFIRMS OUR ORDER PLACED

BILL — LETTERHEAD ADDRESS AND UNLESS OTHERWISE STATED.
SHIP TO — WHEATFIELD PLANT
NIAGARA FALLS BLVD.
NIAGARA FALLS, N. Y.

ESTABLISHED ROUTING UNLESS OTHERWISE STATED

QUANTITY	U/M	PART NO	DESCRIPTION	REQUIRED DATE	TOTAL PRICE
			(z) A certified inspection sheet, listing the test results, shall be furnished to Bell Aerosystems Company, prior to shipment of the machine.		
			(AA) Warranty on all parts shall extend for a period of one (1) year from date of acceptance of machine at Bell Aerosystems Company.		

Q C CLAUSES

SUBJECT TO — AT RECEIVING INSPECTION

AUTHORIZED SIGNATURE

TOTAL

ORIGINATOR

DATE 5.21.69

TO/ATTN O. J. Nota

FOR C5L J. Smith/J. Devino

LOCATION Dept. 590

CRIB

BUYER

DATE

NAME

17

THIS IS A PURCHASE ORDER WHEN P O NO. IS ENTERED AND APPROVED BUYER SIGNS BELOW

BUYER NO

SUGGESTED SOURCE Hamilton Standard
SPECIAL INSTRUCTIONS
ESTIMATED COST

EXPLAIN IN DETAIL WHERE TERMS ARE TO BE USED

INFORMATION TO ASSIST IN DETERMINING WHETHER CONTRACT CLAUSES ARE REQUIRED

APPROVAL SIGNATURES STAMPS AND DATES

DEPT
AUTH
QUALITY
AUTH
REP

PROJECT

ACCOUNTING

ORIGINATOR COPY

PURCHASE ORDER

DATE 7/29/69

P.O NO. 4972UU-17

(B) - BELL AEROSYSTEMS COMPANY AT; (S) - SHIP TO

[ ] B LETTERHEAD ADDRESS

[ ] S WHEATFIELD PLANT NIAGARA FALLS BLVD. NIAGARA FALLS, N.Y.

[ ]

AWARD CODE: 4.1L

Hamilton Standard Division
United Aircraft Corporation
Windsor Locks, Conn.

TERMS	REQMT REF NO.	P.R. NO.
N30	MER S/N 69106	02409

F.O.B.	WORK ORDER	COST CODE	COST ELEM
Windsor Locks, Conn.	341		

SHIP VIA [X] ESTABLISHED ROUTING

GOV'T CONTRACT NO.

PRIORITY RATING

FOR: J. Smith/J. P. Domino

AT: Dept. 590, Code C

ITEM NO	QUANTITY	U/M	BELL PART NO./DESCRIPTION MER #69106, Bell C-25557	REQ'D DATE	UNIT PRICE	TOTAL PRICE
1	1		Modified Electron Beam Welder, Model EBW (6) 523636, with a universal rotary fixture modified to provide a speed range of .12 to 100 RPM, and having all required features and capabilities to effect operations similar to S/N 301 machine, purchased on Bell P. O. 595009-1, dated 5/29/67,		97,570 00	97,570 00
2	1		Motor Generator Set to stablize input power.		3,650 00	
3	1		Automatic vacuum sequencing system.		3,260 00	
4	1		Beam On-Off Variable Taper Control		4,300 00	
5	1		Modified Eccentric Table to generate a circle from 0" to 2" dia. and provide rotary speed up to a maximum of 120 RPM		4,450 00	
6	1		Beam Timer with a dual range of 20 seconds and 120 seconds with dial divisions of .1 second. To be interconnected with the beam foot-switch.		1,250 00	
7	1		Vernier Bias Control System (CONT.)		1,350 00	

VENDOR DELIVERY SCHEDULE			
ITEM NO	QTY/DATE	ITEM NO	QTY./DATE
Before 8/4/69			

LOCATION

BUYER NO. 17

VENDOR NO. 49141

TOTAL $97,570 00

-36-

253

Union Exhibit No. 13(1 of 9

Page 4 of 7 — PURCHASE ORDER — DATE 7/29/69 — P.O NO. 297200-17

(C) - BELL DEL. ADDRS. STEMS COMPANY AT; (S) - SHIP TO

☐ LETTERHEAD ADDRESS ☐ WHEATFIELD PLANT NIAGARA FALLS BLVD. NIAGARA FALLS, N.Y. ☐

AWARD CODE

Hamilton Standard Division

TERMS | BOMAT REF NO. | P.R. NO. 02409-

F.O.B. | WORK ORDER | COST CODE | COST ELEM

SHIP VIA ☐ ESTABLISHED ROUTING _____ _____

GOV'T CONTRACT NO.

PRIORITY RATING

FOR | AT

ITEM NO	QUANTITY	U/M	BELL PART NO./DESCRIPTION	REQ'D DATE	UNIT PRICE	TOTAL PRICE
8	1		Shunt Package consisting of required wiring and jacks to plug in a Texas Instrument Visicorder II, 3 channel strip chart recorder. It shall furnish signals to the recorder for voltage, beam current and focus current. A complete set of schematics and wiring diagrams of this installation shall be furnished at time of delivery.		3,620 00	
9	1		Viewing scope to be the same power, style and have the same reticle divisions as the scope furnished with S/N 269 Welder, except graduations shall extend in the X and Y directions, instead of only X. This is in accordance with committment made by Mr. Olaf Olsen of Hamilton Standard.		550 00	
			This machine shall meet all conditions itemized in your quote Q69-43-1, dated 3/21/69, and individual Hamilton Standard specification sheets identified as additional pages of Q69-43-1. Exceptions to said specifications are itemized in the following "NOTES." (CONT.)			

VENDOR DELIVERY SCHEDULE

ITEM NO	QTY./DATE	ITEM NO	QTY./DATE

LOCATION | BUYER NO. 17 | VENDOR NO. 49141 | TOTAL $120,000 00

-37-

Union Exh. No. 13(2 of 9)

254

(3)

PURCHASE ORDER

DATE 7-...-69 P.O. NO. -972[illegible]-7

(B) - BELL AEROSYSTEMS COMPANY AT; (S) - SHIP TO

☐☐ LETTERHEAD ADDRESS ☐☐ WHEATFIELD PLANT NIAGARA FALLS BLVD. NIAGARA FALLS, N.Y. ☐☐

TERMS | BOMT REF NO. | P.R. NO. 024097

F.O.B. | WORK ORDER | COST CODE | COST ELEM

AWARD CODE

Hamilton Standard Division

SHIP VIA ☐ ESTABLISHED ROUTING

GOV'T CONTRACT NO.

PRIORITY RATING

FOR | AT

ITEM NO	QUANTITY	U/M	BELL PART NO./DESCRIPTION	REQ'D DATE	UNIT PRICE	TOTAL PRICE
			The welding chamber shall be 52" wide, 36" deep and 36" high, with a clear work area of 52" x 36" x 27" high, from top of table to ceiling of cabinet. The work table travel is 25½" in X direction, and 17" in the Y direction. The table size is 25½" x 17" of heavy duty construction to adequately manipulate up to 1,000 lbs. The timer, adjustable beam programming device (Item 6 of P. O.) shall start timing from the instant the beam is put on, thereby including up slope in the time cycle. When timer "times out", the signal for down slope will be initiated. NOTES: (a) The timing system shall be wired in the same manner as machine, S/N 301, which permits simulating a run without setting KV or gun. (b) Work table shall be of heavy duty design having firm attach points to furnish maximum stability, similar to machine S/N 301.	(CONT.)		

VENDOR DELIVERY SCHEDULE

ITEM NO	QTY/DATE	ITEM NO	QTY./DATE

LOCATION | BUYER NO. 17 | VENDOR NO. 49141 | TOTAL

-38-

255

Union Exh. No. 13 (3 of 9)

Page of PURCHASE ORDER DATE 11/29/69 P.O. NO. 297200-17

(S) - BELL AEROSYSTEMS COMPANY AT; (S) - SHIP TO

☐☐ LETTERHEAD ADDRESS ☐☐ WHEATFIELD PLANT NIAGARA FALLS BLVD. NIAGARA FALLS, N.Y. ☐☐

AWARD CODE

Hamilton Standard Division

TERMS | RQMT REF NO. | P.R. NO. 02401

F.O.B. | WORK ORDER | COST CODE | COST ELEM

SHIP VIA ☐ ESTABLISHED ROUTING | GOV'T CONTRACT NO.

PRIORITY RATING

FOR | AT

ITEM NO	QUANTITY	U/M	BELL PART NO./DESCRIPTION	REQ'D DATE	UNIT PRICE	TOTAL PRICE
			(c) Three (3) complete sets of operating and maintenance manuals shall be furnished, including all drawings, and schematics covering modifications, interconnection of M. C. sets and complete maintenance instructions of all accessories and equipment manufactures by others. (d) At the discretion of Bell Aerosystems, this machine may be inspected, in operation, at the Hamilton Standard Facility, before shipment to Bell. Hamilton Standard to notify Bell when available for inspection. (e) Machine shall be arranged to operate on 460 volt, 3 phase, 60 HZ service. (f) The mechanical pumps shall be isolated from the machine by nylon couplings to impart a minimum of vibration to the work table. (g) There shall be no compression shift in table or work positioning equipment when the access doors are closed and vacuum is drawn.			

(CONTINUED)

VENDOR DELIVERY SCHEDULE

ITEM NO	QTY/DATE	ITEM NO	QTY./DATE

LOCATION | BUYER NO. 17 | VENDOR NO. 9141 | TOTAL

-39-

256

Union Exh. No. 1344 of 91

PURCHASE ORDER

DATE .../69 | P.O. NO. .297200-17

BELL AEROSYSTEMS COMPANY AT: (S) - SHIP TO

☐☐ LETTERHEAD ADDRESS ☐☐ WHEATFIELD PLANT NIAGARA FALLS BLVD. NIAGARA FALLS, N.Y. ☐☐

AWARD CODE

Hamilton Standard Division

TERMS	REQMT REF NO.	P.R. NO. 02405
F.O.B.	WORK ORDER	COST CODE / COST ELEM
SHIP VIA ☐ ESTABLISHED ROUTING ☐	GOV'T CONTRACT NO.	
FOR	PRIORITY RATING / AT	

ITEM NO	QUANTITY	U/M	BELL PART NO./DESCRIPTION	REQ'D DATE	UNIT PRICE	TOTAL PRICE
			(h) The cooling water piping system shall be so designed as to eliminate interaction of the drain lines from mechanical pump and diffusion pump. This will prevent restrictions in the lines and allow free flows from all sources. (i) Per Hamilton Standard specifications, Vacuum System shall consist of a 300 CFM mechanical forepump, 10 in. 4200 I/S fractioning oil diffusion pump and 35 CFM mechanical pump backing in diffusion pump. All necessary valves, operating in proper sequence and timing shall be automatic, in accord with Item #3 of this Purchase Order. (j) At the time of delivery of this machine, a factory field engineer will assist in its installation and check-out and instruct Bell personnel in its operation and maintenance. (k) All electrical apparatus of this facility must comply with J.I.C. specs. (l) Final acceptance shall be made after complete installation at	(CONT.)		

VENDOR DELIVERY SCHEDULE

ITEM NO	QTY./DATE	ITEM NO	QTY./DATE

LOCATION | BUYER NO. 17 | VENDOR NO. 49141 | TOTAL

-40-

257

Bell Form No. 13 (5 of

PURCHASE ORDER

P.O. DATE 7/29/69 | P.O. NO. 297200-17 | P.R. NO. 026091

(S) - BELL BELL AEROSYSTEMS COMPANY AT; (S) - SHIP TO

☐☐ LETTERHEAD ADDRESS ☐☐ WHEATFIELD PLANT NIAGARA FALLS BLVD. NIAGARA FALLS, N.Y. ☐☐

Hamilton Standard Division

TERMS | REQMT REF NO. | F.O.B. | WORK ORDER | COST CODE | COST ELEM.

AWARD CODE

SHIP VIA ☐ ESTABLISHED ROUTING

GOV'T CONTRACT NO.

PRIORITY RATING

FOR | AT

ITEM NO	QUANTITY	U/M	BELL PART NO./DESCRIPTION	REQ'D DATE	UNIT PRICE	TOTAL PRICE
			(1) (cont.) Bell Aerosystems Wheatfield Plant, and machine is in full operation, making the weld detailed on Page Q69-43-13 to the satisfaction of Bell Quality Dept. This assembly consists of a Columbium -1% Zirconium injector E. B. welded to a liner, SCB-291 (80% Columbium, 10% Tantalum, 10% Tungsten.) (m) Purchasing Department to route copy of Purchase Order to Primary Standards, Dept. 677, to assure certification instrumentation after installation of equipment. (n) Price does not include a selective training course lasting one (1) week, for maintenance people and operators. (o) One Auxiliary Cannon plug shall be installed within the chamber to power Bell tooling, at no additional charge, per wire of Mr. O. Olsen of 3/19/69 and quote. (p) The variable speed of the universal rotor fixture, from 112 to 100 RPM shall have a Plus/Minus 3% accuracy of regulation over entire	(CONT.)		

VENDOR DELIVERY SCHEDULE

ITEM NO.	QTY./DATE	ITEM NO.	QTY./DATE

LOCATION | BUYER NO. 17 | VENDOR NO. 49141 | TOTAL

Union Exh. No. 13 (6 of 9)

PURCHASE ORDER

P.O. DATE 7/29/69 | P.O. NO. 297200-17 | P.R. NO. 024091

(C) - BELL AEROSYSTEMS COMPANY AT; (S) - SHIP TO

☐ LETTERHEAD ADDRESS ☐ WHEATFIELD PLANT NIAGARA FALLS BLVD. NIAGARA FALLS, N.Y. ☐

AWARD CODE

Hamilton Standard Division

TERMS | EQMT REP NO. | F.O.B. | WORK ORDER | COST CODE | COST ELEM

SHIP VIA ☐ ESTABLISHED ROUTING

GOV'T CONTRACT NO.

PRIORITY RATING

FOR | AT

ITEM NO.	QUANTITY	U/M	BELL PART NO./DESCRIPTION	REQ'D DATE	UNIT PRICE	TOTAL PRICE
			(p) (CONT.) range. (q) Digital readout dials are required for all power inputs to electron beam gun and focusing lens (except beam current control) to insure accurate reproduction of welding parameters. (r) Machine finish shall match that supplied on S/N 301, S/N 269, and S/N 243. (s) All safety requirements of New York State and Bell Aerosystems must be observed. No radiation levels shall exist, if an individual is consistently present in the area, could result in his receiving a dose in excess of 2.0 MILLIREMS in any one hour, or if an individual is consistently present in the area, could result in his receiving a dose in excess of 100 MILLIREMS in any seven (7) consecutive days. (t) Interior chamber surfaces shall have a #63 microinch finish or better.	(CONT.)		

VENDOR DELIVERY SCHEDULE

ITEM NO.	QTY. DATE	REMARKS	QTY./DATE

LOCATION | BUYER NO. 17 | VENDOR NO. 49141 | TOTAL

-42-

259

Union Exh. No. 13 (7 of 9)

PURCHASE ORDER

DATE 11/29/69 | P.O. NO. 297UU-17

(J) - BELL HELICOPTER COMPANY AT; (S) - SHIP TO

☐☐ LETTERHEAD ADDRESS ☐☐ WHEATFIELD PLANT NIAGARA FALLS BLVD. NIAGARA FALLS, N.Y. ☐☐

AWARD CODE

Hamilton Standard Division

TERMS | SOME REF NO. | P.R. NO. 024091

F.O.B. | WORK ORDER | COST CODE | COST ELEM

SHIP VIA ☐ ESTABLISHED ROUTING | GOV'T CONTRACT NO.

PRIORITY RATING

FOR | AT

ITEM NO	QUANTITY	U/M	BELL PART NO./DESCRIPTION	REQ'D DATE	UNIT PRICE	TOTAL PRICE
			(u) All moving parts shall have readily accessible provisions for adequate lubrication. (v) All replaceable parts shall be manufactured to definite standards for tolerance, clearance, and finish, in order that any such part may be field-installed without further machining. Where possible, all parts shall be permanently and legibly marked with the manufacturer's part number. (w) The entire system shall be certified to meet all FCC regulations. (x) With reference to Item #8 of P. O., the Texas Instruments recorder will accept current input resistances of 200,000 ohms per volt, and a 40 millivolt signal as specified in Hamilton Standard Quote No. Q69-43-1. (y) Installation drawings to be received thirty (30) days after receipt of Purchase Order. (CONTINUED)			

VENDOR DELIVERY SCHEDULE

ITEM NO	QTY/DATE	ITEM NO	QTY/DATE

LOCATION | BUYER NO. 17 | VENDOR NO. 49141 | TOTAL

-43-

260

Union Exh. No. 13 (8 of 9)

Page 9 of 9

PURCHASE ORDER

DATE 7/29/69 | P.O. NO. 297200-17 | P.R. NO. 024091

(S) - BELL AEROSYSTEMS COMPANY AT; (S) - SHIP TO

☐☐ LETTERHEAD ADDRESS ☐☐ WHEATFIELD PLANT NIAGARA FALLS BLVD. NIAGARA FALLS, N.Y. ☐☐

AWARD CODE

Hamilton Standard Division

TERMS | SOME REP NO.

F.O.B.

S V I A ☐ ESTABLISHED ROUTING

FOR

WORK ORDER | COST CODE | COST ELEM

GOVT CONTRACT NO.

PRIORITY RATING

AT

ITEM NO	QUANTITY	U/M	BELL PART NO./DESCRIPTION	REQ'D DATE	UNIT PRICE	TOTAL PRICE
			(z) A certified inspection sheet, listing the test results, shall be furnished to Bell Aerosystems Company, prior to shipment of the machine. (AA) Warranty on all parts shall extend for a period of one (1) year from date of acceptance of machine at Bell Aerosystems Company. (AB) This order voids and supercedes Bell letter of Intent dated May 9, 1969.			

LOCATION | BUYER NO. 17 | VENDOR NO. 49141 | TOTAL

VENDOR DELIVERY SCHEDULE

ITEM NO	QTY/DATE	REMARKS	QTY/DATE

(Continued on Page 10 of 9)

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P16

JOB DESCRIPTION

Bell Aerospace Company ----- BUFFALO

Form 6571 Sheet 1

JOB TITLE	JOB CODE
SCHEDULER, MANUFACTURING RELEASE AND MATERIAL	666 F9

DUTIES:

CONTROL

Under the direction of a group leader or an employee of equal or higher rank, performs all the duties involved in accomplishing the work of a Manufacturing Release and Material Control Scheduler. Duties involve work such as or similar to the following: Originating a manufacturing record for items released by Engineering to be manufactured either by Bell or sub-contractors and determining quantities to be built. Release travelers at the proper configuration by the Manual or EDP System. Request Planning Engineering to update Operation Sheets as required in order to release at the proper configuration. Make all adjustments to the traveler package other than changes normally made by planning personnel. Review and release MDR replacements as required. Request new and replace ment drawings for traveler consoles. Proce as proper paperwork to initiate all submittals into Termination and if needed again for another contract, issue necessary paperwork for withdrawal. Make out work order transfers when required. Daily posting of completed travelers and adjustments.

Assignment of the BAC serial numbers and customer designated serial numbers, where necessary. Originates and maintains the traveler held for Material Report. Finalize Bills of Material for purposes of inputting and updating by determining and injecting the part type, total quantity, raw material code, source and manufacturing index for electronic data input sheets or similar instrument used to control any manufacturing release control records for the Manufacturing Departments. In the area of EDP Inventory Control, the Scheduler controls the Material Control Input/ Errors/Validity Report and initiates necessary action to remedy errors or mismatches for portions of report within their responsibility. Issuing Purchase Requisitions for all raw material, factory supplies, all approved Bell drawing numbered parts, min max items, all standard parts and, in the area of vendor parts, the Scheduler will issue Purchase Requisitions for all production and spares.

(over)

DESIRABLE QUALIFICATIONS:

High school education with a working knowledge of aircraft parts and manufacture and the ability to read and interpret all types of drawings. Eighteen months to three years' experience in scheduling and production control work. Incumbents must have a broad knowledge of production control methods and procedures as related to aircraft assembly and fabrication.

Union Exh. No. 16 (1 of 2)

DATE	JOB REVISED
July 19, 1970	666 F1 March 29, 1954 666 A8 & 666 A10 666 F9 July 24, 1967

SCHEDULER, MANUFACTURING RELEASE AND MATERIAL CONTROL (Cont'd)

Originate material control records for items purchased where necessary. Authorizing withdrawal of material from Inventory and requesting substitutions of material when necessary. (3) Prepare and maintain the Material Control Department BAC & BHC specifications listing for the purpose of supplying correct and current information, when submitting Purchase Requisitions to the Procurement Department. (4) Prepare split MSO's when required for shipment of Bell furnished material to vendors. (5) Contact appropriate department in connection with proposed changes and material substitutions. Analyze all proposed changes by determining status of affected parts and materials and, by measurement against tooling and schedule requirements, commit a point in manufacture at which this change can be accommodated based upon a specific release date. Record all such effects and commitments on a "Parts Disposition Report" and submit to group supervisor or Manufacturing Change Incorporation Board within allowed flow time. (A "Vendor Effectivity Request" form is processed for changes in the procurement category). Revalidate E.O. vellums representing approved changes (commit the effectivity and sign-off). Request "Revisions-in-Process (R.I.P.'s) and/or Rework Planning required to meet these change commitments. Request operation sheets and release travelers to authorize such transactions as "Manufacturing Engineering Work Authorizations" (MEWA's), Special Work Requests (S.W.R.'s); Material Disposition Report (M.D.R.) repairs, Non-Conformance and Failure Reports. Follow-up Schedulers contact procurement and monitor Procurement promise dates to assure support of manufacturing required dates. (9) Initiate work-around action where conflict exists. (8) and be continuously aware of status and be prepared to report to the procedure established for particular program. (7) This monitoring will be performed on those Purchase Requisitions initiated by Material Control Schedulers. (10) Establish priorities for Receiving and Receiving Inspection Departments. (11) Review and tracking of MDR's and NOIS Reports to assure receipt of material to stock in line with schedule need dates.

PURCHASE REQUISITION/PURCHASE ORDER/RECEIVING REPORT

P.O. DATE

CONTRACT NO. 60320 F33601-68-A-0032

PRIORITY RATING CERTIFIED UNDER DMS. REG. 1. DOAL

F.O.B.

P.R. NO. 6 3 2 0 4

PRICE & DELIVERY PER YOUR

AN ENTRY BELOW CONFIRMS OUR ORDER PLACED

CHANGE INFORMATION

COPR. NO.
COPO. NO.
CANCEL
DELIVERY
OTHER

AWARD CODE

BILL — LETTERHEAD ADDRESS AND UNLESS OTHERWISE STATED.
SHIP TO — WHEATFIELD PLANT
NIAGARA FALLS BLVD.
NIAGARA FALLS, N. Y.

REQUIREMENT REFERENCE NO. D3H666

VENDOR NO. A5 INVENTORY TYPE

CLEARANCE ROUTING UNLESS OTHERWISE STATED

PLN NO.	QUANTITY	U/M	PART NO.	DESCRIPTION	WORK ORDER	COST CODE	COST ELEM.	REQUIRED DATE	SUBCONTRACTOR DELIVERY DATE	UNIT PRICE	TOTAL PRICE
	1200	EA	205-060119-1C	CASTING ①	1514	000	521	021970			
	50	EA	205-060119-1C	" ②	1514	000	521	021970			
	1200	EA	205-060211-2C	" ①	1514	000	521	021970			
	50	EA	205-060119-2C	" ②	1514	000	521	021970			
			Purchase Complete per Sell Letter								
			Dwg. Chg "D" And Operation Shit Chg. 10A								
			In Vendors Possession. SPEC.	REV APPLIES							
			BPA-FW-4450	T - 1							
			BPA-FW 4163	C - 2							
			OPTION QTY								
	1/4 205		205-060 X19-1C	Casting							
	1/4 205		205-060 519-2C	Casting							

Q.C. CLAUSES

SUBJECT TO — AV RECEIVING INSPECTION

LOCATION

COST CODE 120

AUTHORIZED SIGNATURE

TOTAL

ORIGINATOR DATE ZONE FOR

BUYER NAME

APPROVAL SIGNATURES/STAMPS AND DATES

DEPT.
AUTH.
QUALITY
AUTH.
REP.

PROJECT

ACCOUNTING

THIS IS A PURCHASE ORDER WHEN P.O. NO. IS ENTERED AND APPROVED SUYER SIGNS BELOW

BUYER NO.

SUGGESTED SOURCE, SPECIAL INSTRUCTIONS, ESTIMATED COST — FRUNTIER DRONZE Corp. NIAGARA NY PROV. 220947-6

EXPLAIN IN DETAIL WHERE ITEM(S) WILL BE USED

INFORMATION TO ASSIST IN DETERMINING QUALITY CONTROL CLAUSE(S)

264

UNION EXH. NO. 19

BV 700 A 2 1 CC NY — Page 1 of 2

PURCHASE ORDER

P.O. DATE 6-18-70 — P.O. NO. 492710-6

.1) AAJ01-68-K-0022/60320
2) Various

PRIORITY RATING CERTIFIED UNDER DMS. REG. 1: DO A1

TERMS: Net 30

F.O.B.: S.P.

P.R. NO. 062294

CHANGE INFORMATION

COPO No.

MODE & DELIVERY PER YOUR: Quote dated 6/12/70 - #4451

AN ENTRY BELOW CONFIRMS OUR ORDER PLACED: By phone order on 6/16/70 - W. Gephardt

BILL - LETTERHEAD ADDRESS AND UNLESS OTHERWISE STATED.
SHIP TO - WHEATFIELD PLANT
NIAGARA FALLS BLVD.
NIAGARA FALLS, N. Y.

REQUIREMENT REFERENCE NO. DSN666

AWARD CODE: 41

Frontier Bronze Corporation
4870 Packard Road
Niagara Falls, New York 14304

SHIP VIA: See Below

ESTABLISHED ROUTING UNLESS OTHERWISE STATED

VENDOR NO. 42259 A5

B.I.I.-67-059

ALL ITEMS ARE SUBJECT TO INSPECTION AT WHEATFIELD UNLESS OTHERWISE STATED

ITEM NO.	QUANTITY	U/M	PART NO.	DESCRIPTION	REQUIRED DATE	ACKNOWLEDGE DELIVERY DATE	UNIT PRICE	P/E	TOTAL PRICE
				THE NAME BELL AEROSYSTEMS COMPANY IS DELETED WHEREVER IT APPEARS IN THIS ORDER AND THE NAME BELL AEROSPACE COMPANY IS SUBSTITUTED IN ITS PLACE.					
010	1200	pcs	205-060819-1C	Casting (1)	081470	081470	1.40	E	1,680.00
			W.O. 7564-000-501						
011	50	pcs	205-060819-1C	Casting (2)	081470	081470	1.40	E	70.00
	TOTAL 1250 pcs.		W.O. 7554-000-501						
020	1200	pcs	205-060819-2C	Casting (1)	081470	081470	1.40	E	1,680.00
			W.O. 7564-000-501						
021	50	pcs	205-060819-2C	Casting (2)	081470	081470	1.40	E	70.00
	TOTAL 1250 pcs.		W.O. 7554-000-501						
				Make complete per Bell Eng. Dwg. Chg. "D" and operation sht. Chg. "10A" in your possession.					
				Bell specs BPS-FW-4050, Rev. T, Amend. 1 and BPS-FW-4163 Rev. E, Amend. 2 are applicable to this requirement.					
				QPS 100 applies and quality clauses 310, 420, 440 (ht treat), 450 (per BPS FW 4163), 600 (per BPS FW 4089), 660a, 710 set forth in the annexed attachment are applicable to this order and certifications must accompany each shipment hereunder.					
				The provisions of Exhibit "B" (Rev. to Std. P.O. Instructions, Terms & Conditions), attached are incorporated herein & become a part of this purchase order.					

See Above

IMPORTANT — AN ANNEXED ATTACHMENT IS FURNISHED AND IS INCORPORATED AND APPLICABLE TO THE PERFORMANCE OF THIS ORDER WHEN ANY QUALITY CONTROL CLAUSE(S) IS INVOLVED AND RECORDED.

TOTAL 3,500.00

ORIGINATOR: F.A. Zagara — DATE: 061170 — DEPT: C49 — FOR — LOCATION — CODE 120 — SHIP CODE A

-48-

Union Exh. No. 17 (2 of 2)

265

BELL AEROSYSTEMS
A Textron Company

Page 2 of 2

PURCHASE ORDER

P.O. DATE: 6-18-70

P.O. NO.: 492710-6

P.R. NO.: 062294

GOV'T CONTRACT NO. | PRIORITY RATING CERTIFIED UNDER DMS REG. 1. | TERMS | F.O.B.

PRICE & DELIVERY PER YOUR | AN ENTRY BELOW CONFIRMS OUR ORDER PLACED

CHANGE INFORMATION - COPO No.

BILL - LETTERHEAD ADDRESS AND UNLESS OTHERWISE STATED.
SHIP TO - WHEATFIELD PLANT
NIAGARA FALLS BLVD.
NIAGARA FALLS, N. Y.

REQUIREMENT REFERENCE NO.

AWARD CODE

Frontier Bronze Corporation

$ ESTABLISHED ROUTING UNLESS OTHERWISE STATED

HY
II
PA

VENDOR NO. 42259

INSPECTION TYPE

ALL ITEMS ARE SUBJECT TO BAC INSPECTION AT WHEATFIELD UNLESS OTHERWISE STATED

ITEM NO.	QUANTITY	U/M	PART NO.	DESCRIPTION	PROMISED DATE	SCHEDULED DELIVERY DATE	UNIT PRICE	P.R. NO.	TOTAL PRICE
				THE NAME BELL AEROSYSTEMS COMPANY IS DELETED WHEREVER IT APPEARS IN THIS ORDER AND THE NAME BELL AEROSPACE COMPANY IS SUBSTITUTED IN ITS PLACE.					
				You are required to follow the provisions of DMS Reg. 1 and of all other applicable regulations and orders of BDSA in obtaining controlled materials and other products and materials needed to fill this order. Certified for national defense use under DMS Reg. 1.					
				OPTION FOR INCREASED QUANTITY					
030	*600	pcs	205-060819-1C	Casting (Same as Items 010 & 011)					
040	*600	pcs	205-060819-2C	Casting (Same as Items 020 & 021)					
				a) Buyer may increase the quantity of forgings called for herein, by requiring the delivery of *600 pcs. (Items 030 & 040) above, as an option item.					
				b) The Buyer may exercise this option at any time by giving notice to the Seller via phone, wire, or letter.					
				c) However, if the option is exercised within 4 weeks ARO for the 1250 pcs. (Items 010-021), the unit price will remain the same for the total quantity of 1850 pcs. of items 010 & 020.					
				d) Delivery of the quantity added by the exercise of this option, shall continue immediately after and at the same rate as delivery of the quantities of items 010 & 020.					
				e) Pursuant to (b) above, quantity and price changes will be validated by amendments hereto.					

IMPORTANT — AN ANNEXED ATTACHMENT IS FURNISHED AND IS INCORPORATED AND APPLICABLE TO THE PERFORMANCE OF THIS ORDER WHEN ANY QUALITY CONTROL CLAUSE(S) IS INVOLVED AND RECORDED.

TOTAL

DESIGNATOR | DATE | TOME | FOR | LOCATION | CRS | SHIP CODE

-49-

Union Exh. No. 17 (3 of 6)

266

GARY LUNGER 8-21-70

492710-6 063294 ITEMS #1 AND #2

FRONTIER BRONZE

P/N 205-060819-1C CASTING OVERSHIPPED BY 73 PCS

— P/N 205-060819-2C CASTING OVERSHIPPED BY 86 PCS.

[illegible] Gary has been overshipped according to Procurement Account [illegible] Please work closely and advise if corrective [illegible] accept this as new requirements. Please return this copy to the [illegible].

Thank you,

[illegible] Procurement
Lone Tree, Iowa

PART NO. DATE

205-060819-1C 73 pcs } Well below 10% allowable
-2C 86 pcs } Cost 1.40 per

BELL AEROSYSTEMS COMPANY

CHANGE PURCHASE REQUISITION

GOVT. ISSUE P.O. NO. 4 137 10-6
C.O.P.R. NO. 1
ORIGINAL P.R. NO. 06 2714
C.O.P.R. DATE 8-24-70
ORIGINAL P.O. DATE 6-18-70
ORIGINAL P.R. DATE 6-11-70

CHARGE NO. 7564-600-521
GOVT. CONTRACT NO. 60320 DAAJ01-68A-0022

REF. NO.	QUANTITY	UNIT	BELL PART NO./DESCRIPTION	UNIT PRICE	TOTAL PRICE
PURCHASE REQUISITION NOW READS IN WHOLE OR IN PART:					
010	1200	PC	205-060814-1C CASTING		
020	1200	PC	" "		
PURCHASE REQUISITION IS CHANGED TO READ:					
010	1273	PC	SAME		
020	1286	PC	"		
			TO SHOW QUANTITY INCREASE		

REASON(S) FOR THE CHANGE:
PURCHASING REQUEST TO ACCEPT OVERSHIPMENT OF LOW COST ITEMS TO BE USED FOR FUTURE REQUIREMENTS

WRITTEN BY	AUTHORIZED BY	BUYER NO.
W. R. Richmond 8-24-70		

Union Exh. No. 17 (5 of 6)

BELL AEROSYSTEMS COMPANY

CHANGE OF PURCHASE ORDER

P.O. Orig. DATE 6/18/70

P.O. NO. 492710-6

GOVT CONTRACT NO. SEE BELOW | PRIORITY RATING CERTIFIED UNDER DMS REG. 1 SEE BELOW | TERMS | F.O.B. | P.R. NO. 062294

PRICE & DELIVERY PER YOUR | AN ENTRY BELOW CONFIRMS OUR ORDER PLACED | CHANGE INFORMATION 8/28/70 COPY NO. 1

AWARD CODE 4.1

Frontier Bronze Corp.
4870 Packard Road
Niagara Falls, New York
14304

BILL - LETTERHEAD ADDRESS AND UNLESS OTHERWISE STATED.
SHIP TO - WHEATFIELD PLANT
NIAGARA FALLS BLVD.
NIAGARA FALLS, N. Y.

SHIP VIA | ESTABLISHED ROUTING UNLESS OTHERWISE STATED

REQUIREMENT REFERENCE NO.

SEE BELOW

VENDOR NO. 42259 | A5

ALL ITEMS ARE SUBJECT TO BAC INSPECTION AT WHEATFIELD UNLESS OTHERWISE STATED

LINE NO.	QUANTITY	U/M	PART NO.	DESCRIPTION	REQUIRED DATE	PROMISED DELIVERY DATE	UNIT PRICE	PER	TOTAL PRICE
				THIS PURCHASE ORDER IS AMENDED AS FOLLOWS: THE NAME BELL AEROSYSTEMS COMPANY IS DELETED WHEREVER IT APPEARS IN THIS ORDER AND THE NAME BELL AEROSPACE COMPANY IS SUBSTITUTED IN ITS PLACE.					
				WORK ORDER NOS.					
010	1273	PCS.	205-060819-1C	Casting 7564-000-501			1.40	1	1,782.20
				Contr: DAAJ01-68-A-0022/60320 (DO-A1)					
011	50		205-060819-1C	Casting 7554-000-501			1.40	1	70.00
	1323	total pcs.		Contr: Various					
020	1286	PCS.	205-060819-2C	Casting 7564-000-501			1.40	1	1,800.40
				Contr: DAAJ01-68-A-0022/60320 (DO-A1)					
021	50		205-060819-2C	Casting 7554-000-501			1.40	1	70.00
	1336	total pcs.		Contr: Various					
				NO COPY TO VENDOR					
				REASON FOR THE CHANGE: To accept overshipment of items 010 & 020.					

CHANGE ORDER

IMPORTANT AN ANNEXED ATTACHMENT IS FURNISHED AND IS INCORPORATED AND APPLICABLE TO THE PERFORMANCE OF THIS ORDER WHEN ANY QUALITY CONTROL CLAUSE(S) IS INVOLVED AND RECORDED. TOTAL 3,722.60

ORIGINATOR W. Richmond 082470 | DEPT C49 | FOR | LOCATION | CODE 120 | PROC CODE A

-52-

Union Exh. No. 17 (6 of 6)

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BELL AEROSYSTEMS COMPANY

DEPARTMENTAL JOB INSTRUCTION

NUMBER 121-001
SUPPLEMENT
PAGE 1 OF 3

DIVISION Manufacturing FACILITY 11 DATE ISSUED May 24, 1968
DEPT. Procurement REF. BAPP DATE REVISED
TITLE Master Index
TITLE Departmental Job Instructions

18

Series	Grouping
121-000	Procurement Objectives and Functions
121-050	Purchase Order Preparation and Control Purchase Requisition Log Purchase Requisition Assignment Purchase Requisition Reports Blanket Orders Vendor No. Assignment Purchase Order Distribution Receiving Reports
121-150	Acknowledgments Terms and Conditions Legal Requirements Legal Coordination
121-200	Contract Types Contractual Requirements
121-250	Request for Quotations Source Selection Alternate Sources Major Expenditure Requests
121-300	Advance Commitments Negotiation Finance Coordination Cost & Price Analysis Financial Ratings (D & B) Facility Survey Supplier Evaluation Approval and Commitment Authority Cost Reduction Reports Customer Approvals Bid Comparison Forms
121-350	Purchase Order Changes Partial Cancellations Terminations

Form 5041

BELL AEROSYSTEMS COMPANY

DEPARTMENTAL JOB INSTRUCTION

NUMBER 121-001
SUPPLEMENT
PAGE 2 OF 3

DIVISION Manufacturing
DEPT. Procurement
TITLE Master Index

FACILITY 11
REF. BAPP

DATE ISSUED May 24, 1968
DATE REVISED

TITLE Departmental Job Instructions

Series	Grouping
121-400	Governmental Approvals NASA Regulations Rent-Free Use of Facilities
121-450	Small Business Policy Labor Surplus Areas Equal Opportunity
121-600	Administrative Section Vacation Schedules Sick Time, Jury Duty Attendance Reports Ethics - Gratuities Conflict of Interest Collusion Personnel Assignments Office Equipment Maintenance Housekeeping TOTAL Program
121-700	Estimating Procedures Material Estimate Requests Updating of Estimates Coordination
121-750	Equipment & Tooling Accountability Policies Use of Government Equipment on Loan Control of Bell-furnished Equipment Request for Subcontractor Tooling
121-800	EDP Systems Procurement EDP Reports Pricing History Control of EDP Inputs

Form 3641

BELL AEROSYSTEMS COMPANY

DEPARTMENTAL JOB INSTRUCTION

NUMBER 121-001
SUPPLEMENT
PAGE 3 OF 3
DATE ISSUED May 24, 1968
DATE REVISED

DIVISION Manufacturing
DEPT. Procurement
TITLE Master Index
TITLE Departmental Job Instructions
FACILITY 11
REF. BAPP

Series	Grouping
121-850	Expediting Procedures Preparation of MSO's Traffic Coordination
121-900	Material Control Procedures Material Codes Work Order and Cost Code Assignment Delivery Required Dates Critical Materials Handling
121-950	Security Section Subcontractor Clearances Preparation of DD 254 Personnel Clearances Handling & Disposition of Classified Documents

Form 0648

Union Exh. No. 18 (3 of 3)

Petition for Election—Case No. 3RC-4987.

Petition for Election.

UNITED STATES OF AMERICA
NATIONAL LABOR RELATIONS BOARD

INSTRUCTIONS.—Submit an original and four (4) copies of this Petition to the NLRB Regional Office in the Region in which the employer concerned is located. If more space is required for any one item, attach additional sheets, numbering item accordingly.	DO NOT WRITE IN THIS SPACE Case No. 3-RC-4987 Date Filed July 30, 1970

The Petitioner alleges that the following circumstances exist and requests that the National Labor Relations Board proceed under its proper authority pursuant to Section 9 of the National Labor Relations Act.

Petition for Election—Case No. 3RC-4987.

1. Purpose of this Petition *(If box RC, RM, or RD is checked and a charge under Section 8(b)(7) of the Act has been filed involving the Employer named herein, the statement following the description of the type of petition shall not be deemed made.)*

(Check one)

[X] RC—CERTIFICATION OF REPRESENTATIVE—A substantial number of employees wish to be represented for purposes of collective bargaining by Petitioner and Petitioner desires to be certified as representative of the employees.

[ ] RM REPRESENTATION (EMPLOYER PETITION)—One or more individuals or labor organizations have presented a claim to Petitioner to be recognized as the representative of employees of Petitioner.

[ ] RD—DECERTIFICATION—A substantial number of employees assert that the certified or currently recognized bargaining representative is no longer their representative.

[ ] UD—WITHDRAWAL OF UNION SHOP AUTHORITY—Thirty percent (30%) or more of employees in a bargaining unit covered by an agreement between their employer and a labor organization desire that such authority be rescinded.

[ ] UC—UNIT CLARIFICATION—A labor organization is currently recognized by employer, but petitioner seeks clarification of placement of certain employees: *(Check one)*

[ ] In unit not previously certified

[ ] In unit previously certified in Case No. .....

[ ] AC—AMENDMENT OF CERTIFICATION—Petitioner seeks amendment of certification issued in Case No. .....

Attach statement describing the specific amendment sought.

---

2. Name of Employer

Bell Aerospace Co., Division of Textron, Inc.

Employer Representative to Contact — Phone No.

Peter J. Wacks — 692-2100

---

3. Address(es) of Establishment(s) Involved *(Street and number, city, State, and ZIP Code)*

P. O. Box One, Buffalo, New York 14240

4a. Type of Establishment *(Factory, mine, wholesaler, etc.)*

Factory

4b. Identify Principal Product or Service

Aerospace products

Petition for Election—Case No. 3RC-4987.

5. Unit Involved (*In UC petition, describe PRESENT bargaining unit and attach description of proposed clarification.*)

Included

All Buyers in Purchasing and Procurement, Department 121

Excluded

All production and maintenance employees, all office clerical employees, professional employees, guards, and supervisors as defined in the Act.

6a. Number of Employees in Unit

Present 25

Proposed (by UC/AC)

.....

6b. Is This Petition Supported by 30% or More of the Employees in the Unit?

[X] Yes [ ] No

* *Not applicable in RM, UC, and AC.*

(If you have checked box RC in 1 above, check and complete EITHER item 7a or 7b, whichever is applicable)

7a. [X] Request for recognition as Bargaining Representative was made on *(Month, day, year)*
July 30, 1970 and Employer declined recognition on or about
No reply *(If no reply received, so state)*
(Month, day, year)

7b. [ ] Petitioner is currently recognized as Bargaining Representative and desires certification under the act.

8. Recognized or Certified Bargaining Agent *(If there is none, so state)*

Name

None

Address

Affiliation

Date of Recognition or Certification

9. Date of Expiration of Current Contract, if Any *(Show month, day, and year)*

None

Petition for Election—Case No. 3RC-4987.

10. If You Have Checked Box UD in 1 Above, Show Here the Date of Execution of Agreement Granting Union Shop *(Month, day and year)*

11a. Is There Now a Strike or Picketing at the Employer's Establishment(s) Involved?

Yes..... No X

11b. If So, Approximately How Many Employees Are Participating?

11c. The Employer Has Been Picketed By or on Behalf of ..... *(Insert name)*

a Labor Organization, of ..... *(Insert address)* Since ..... *(Month, day, year)*

12. Organizations or Individuals other than Petitioner (and other than those named in Items 8 and 11c), which have claimed recognition as Representatives, and other Organizations and Individuals known to have a Representative interest in any Employees in the Unit described in Item 5 above. (If none, so state.)

NAME	AFFILIATION	ADDRESS	DATE OF CLAIM *(Required only if Petition is filed by Employer)*
none			

I declare that I have read the above petition and that the statements therein are true to the best of my knowledge and belief.

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA, AMALGAMATED LOCAL 1286
(Petitioner and affiliation, if any)

By /s/ JOHN R. MIRANDA
(Signature of representative or person filing petition)

President
(Title, if any)

Address 257 Elmwood Avenue, Buffalo, New York 14222
(Street and number, city, State, and ZIP Code)

883-6866
(Telephone Number)

Wilfully false statement on this petition can be punished by fine and imprisonment (U. S. Code, Title 18, Section 1001)

Tally of Ballots.

Case No. 3-RC-4987.

Date issued June 16, 1971

Type of Election:
[x] Board Direction

The undersigned agent of the Regional Director certifies that the results of the tabulation of ballots cast in the election held in the above case, and concluded on the date indicated above, were as follows:

1.	Approximate number of eligible voters ..	24	
2.	Void ballots	——	
3.	Votes cast for Local 1286, UAW		15
4.	Votes cast for		——
5.	Votes cast for		——
6.	Votes cast against participating labor organization(s)		9
7.	Valid votes counted (sum of 3, 4, 5, and 6)		24
8.	Challenged ballots		——
9.	Valid votes counted plus challenged ballots (sum of 7 and 8)		24
10.	Challenges are (*not*) sufficient in number to affect the results of the election.		
11.	A majority of the valid votes counted plus challenged ballots (Item 9) has been cast for: International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, Amalgamated Local 1286		

For the Regional Director.

/s/ JOAN ALEXANDER.

Request for Reconsideration.

Case No. 3-RC-4987

State of New York, }
County of Erie. } ss.:

PETER J. WACKS, being duly sworn, deposes and says that he is Vice President, Industrial Relations, of Bell Aerospace Division of Textron Inc., hereinafter referred to as "Petitioner."

Deponent further states that by decision dated May 20, 1971, the Board directed an election to be held among the employees in the unit described as follows:

> "All Buyers in Department 121, the Purchasing and Procurement Department, at the Employer's Wheatfield, New York plant, excluding all production and maintenance employees, all office clerical employees, professional employees, guards and supervisors as defined in the Act."

Deponent further states that the employees within the said unit are managerial employees, and that to permit them to organize for the purpose of collective bargaining with Petitioner would severely handicap Petitioner. Petitioner's business is in research, development and production of components of rockets, missiles and other objects used by the United States Government in the aerospace industry, acting as either prime contractor with the United States Government, or as subcontractor for another prime contractor having a contract with the United States Government. It is vitally important that in purchasing materials and articles for use by the Government, with absolute and unqualified delegation of responsibility for the commitment of the Petitioner for amounts up to $5,000.00,

in addition to the discharge of other responsibilities with unlimited authority, the buyers in question should be undivided in their loyalty to Management. Membership in a bargaining unit inevitably results in a conflict of interest with Management and a division in their loyalty to Management.

The union was not certified until August 12, 1971, and notification of certification was received by Petitioner only on August 16, 1971. Also on August 12th, the Circuit Court of Appeals for the 8th Circuit reversed the decision of the Board in *National Labor Relations Board v. North Arkansas Electric Cooperative, Inc.*, 185 NLRB No. 83, upon which the decision directing the election in this case was based. That case reaffirmed a long line of cases, prior to that decision, in which this Board had held that managerial employees were not subject to the Act.

Deponent therefore requests that this Board reconsider its decision, and render a decision consistent with all existing law upon the subject, dismissing the petition for election in the unit herein above described, and for such other and further relief as may be equitable under the circumstances.

No other request has been made for the relief herein requested.

PETER J. WACKS.

Sworn to before me this
17th day of August, 1971.
Horace C. Winch, Reg. No. 1151,
Notary Public, State of New York,
Residing in Erie County,
My Commission Expires March 30, 1973.

Charge Against Employer.

UNITED STATES OF AMERICA

NATIONAL LABOR RELATIONS BOARD

INSTRUCTIONS: File an original and 4 copies of this charge with NLRB regional director for the region in which the alleged unfair labor practice occurred or is occurring.	DO NOT WRITE IN THIS SPACE Case No. 3-CA-4695 Date Filed December 2, 1971

1. Employer Against Whom Charge is Brought

a. Name of Employer
Bell Aerospace Company, Division of Textron, Inc.

b. Number of Workers Employed
4,000

c. Address of Establishment (Street and number, city, State, and ZIP code)
P. O. Box 1
Buffalo, New York 14240

d. Employer Representative to Contact
Peter J. Wacks, Vice President

e. Phone No.
716-NX2-2100 Ext. 61

f. Type of Establishment (Factory, mine, wholesaler, etc.)
Factory

g. Identify Principal Product or Service
Aerospace Products

h. The above-named employer has engaged in and is engaging in unfair labor practices within the meaning of section 8(a), subsections (1) and (5)
(List subsections)
of the National Labor Relations Act, and these unfair labor practices are unfair labor practices affecting commerce within the meaning of the Act.

Charge Against Employer—Case No. 3-CA-4695.

2. Basis of the Charge (Be specific as to facts, names, addresses, plants involved, dates, places, etc.)

Since on or about November 9, 1971, and at all times thereafter, the above-named Employer, by its officers, agents and representatives, has refused to bargain collectively with International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, Amalgamated Local 1286, a labor organization certified by the Board as the exclusive representatives of all the employees in an appropriate bargaining unit, for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment, and other conditions of employment.

By the above and other acts and conduct, the employer has interfered with, restrained, and coerced employees in the exercise of the rights guaranteed in Section 7 of the Act.

3. Full Name of Party Filing Charge (If labor organization, give full name, including local name and number)

International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, Amalgamated Local 1286

4a. Address (Street and number, city, State, and ZIP code)

257 Elmwood Avenue, Buffalo, New York 14222

4b. Telephone No.

883-6866

5. Full Name of National or International Labor Organization of Which It Is an Affiliate or Constituent Unit (To be filled in when charge is filed by a labor organization)

International Union, United Automobile, Aerospace and Agricultural Implement Workers of America

6. DECLARATION

I declare that I have read the above charge and that the statements therein are true to the best of my knowledge and belief.

By /s/ JOHN MIRANDA
(Signature of representative or person filing charge)

President
(Title, if any)

Address 257 Elmwood Avenue
Buffalo, New York 14222

883-6866 December 2, 1971
(Telephone number) (Date)

Willfully false statements on this charge can be punished by fine and imprisonment (U. S. Code, Title 18, Section 1001)

Complaint and Notice of Hearing.

Case No. 3-CA-4695

It having been charged by International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, Amalgamated Local 1286, herein called the U. A. W., that Bell Aerospace, a Division of Textron, Inc., herein called Respondent, has engaged in, and is engaging in, certain unfair labor practices affecting commerce as set forth and defined in the National Labor Relations Act, as amended, 29 U. S. C. Sec. 151 *et seq.*, herein called the Act, the General Counsel of the National Labor Relations Board, herein called the Board, on behalf of the Board, by the undersigned Acting Regional Director for the Third Region, pursuant to Section 10(b) of the Act and the Board's Rules and Regulations, Series 8, as amended,

Section 102.15, hereby issues this Complaint and Notice of Hearing and alleges as follows:

I

The charge was filed by the U. A. W. on December 2, 1971, and served on Respondent on or about December 3, 1971, by registered mail.

II

(a) Respondent is, and has been at all times material herein, a corporation duly organized under, and existing by virtue of, the laws of the State of Delaware.

(b) At all times material herein, Respondent has maintained its principal office and place of business at Wheatfield, New York, herein called the Wheatfield plant, and is, and has been at all times material herein, engaged at said plant and location in research and development in the design and fabrication of aerospace products.

(c) During the past year Respondent, in the course and conduct of its business operations, purchased, transferred, and delivered to its Wheatfield plant, goods and materials valued in excess of $50,000, of which goods and materials valued in excess of $50,000 were transported to said plant directly from States of the United States other than the State of New York.

III

Respondent is now, and has been at all times material herein, an employer engaged in commerce within the meaning of Section 2(6) and (7) of the Act.

IV

The U. A. W. is, and has been at all times material herein, a labor organization within the meaning of Section 2(5) of the Act.

V

At all times material herein, the following-named person occupied the position set opposite his name, and has been, and is now an agent of Respondent at its Wheatfield plant, acting on its behalf, and is a supervisor within the meaning of Section 2(11) of the Act.

Peter J. Wacks—Vice President

VI

All buyers in Department 121, the Purchasing and Procurement Department, at Respondent's Wheatfield plant, excluding all production and maintenance employees, all office clerical employees, professional employees, guards and supervisors as defined in the Act constitute a unit appropriate for the purpose of collective bargaining within the meaning of Section 9(b) of the Act.

VII

On June 16, 1971, a majority of employees in the unit described above in paragraph VI, by a secret ballot election conducted under the supervision of the Regional Director for the Third Region of the Board, designated and selected the U. A. W. as their representative for the purpose of collective bargaining with Respondent; and on August 12, 1971, the Board certified the U. A. W. as the exclusive collective bargaining representative of the employees in said unit.

VIII

At all times since June 16, 1971, the U. A. W. has been the representative for the purpose of collective bargaining in the unit described above in paragraph VI, and, by virtue of Section 9(a) of the Act, has been and is the exclusive representative of all the employees in said unit for the purpose of collective bargaining with respect to rates of pay, wages, hours of employment, and other terms and conditions of employment.

IX

Commencing on or about November 9, 1971, and continuing to date, the U. A. W. has requested, and is requesting, Respondent to bargain collectively with respect to rates of pay, wages, hours of employment, and other terms and conditions of employment as the exclusive collective-bargaining representative of Respondent's employees in the unit described above in paragraph VI.

X

Commencing on or about November 9, 1971, and at all times thereafter, Respondent did refuse and continues to refuse to bargain collectively with the U. A. W. as the collective-bargaining representative of all the employees in the unit described above in paragraph VI by refusing, and continuing to refuse, to recognize and bargain with the U. A. W., notwithstanding that said Union was then, and continues to be, the duly designated exclusive collective-bargaining representative of the employees set forth in paragraph VI above.

XI

By the acts described above in paragraph X, and by each of said acts, Respondent did interfere with, restrain and coerce, and is interfering with, restaining and coercing, its employees in the exercise of the rights guaranteed in Section 7 of the Act, and thereby did engage in, and is engaging in, unfair labor practies affecting commerce within the meaning of Section 8(a)(1) and Section 2(6) and (7) of the Act.

XII

By the acts described above in paragraph X, and by each of said acts, Respondent did refuse to bargain collectively, and is refusing to bargain collectively, with the representatives of its employees, and thereby did engage in, and is engaging in, unfair labor practices affecting commerce within the meaning of Section 8(a)(5) and Section 2(6) and (7) of the Act.

XIII

The acts of Respondent described in paragraph X above, occurring in connection with the operations of Respondent described in paragraph II above, have a close, intimate, and substantial relation to trade, traffic, and commerce among the several States and tend to lead to labor disputes burdening and obstructing commerce and the free flow of commerce.

XIV

The acts of Respondent described above constitute unfair labor practices affecting commerce within the meaning of Section 8(a)(1) and (5) and Section 2(6) and (7) of the Act.

Complaint and Notice of Hearing—Case No. 3-CA-4695.

PLEASE TAKE NOTICE that on the 8th day of February, 1972, at 10:00 A. M., Eastern Standard Time, in the Hearing Room of the National Labor Relations Board, 111 West Huron Street, Buffalo, New York, a hearing will be conducted before a duly designated Trial Examiner of the National Labor Relations Board on the allegations set forth in the above Complaint, at which time and place you will have the right to appear in person, or otherwise, and give testimony. Form NLRB-4668, Summary of Standard Procedures in Formal Hearings Held Before the National Labor Relations Board in Unfair Labor Practice Case, is attached.

You are further notified that, pursuant to Section 102.20 and 102.21 of the Board's Rules and Regulations, the Respondent shall file with the Regional Director, acting in this matter as agent of the National Labor Relations Board, an original and four (4) copies of an Answer to said Complaint within ten (10) days from the service thereof and that unless it does so all of the allegations in the Complaint shall be deemed to be admitted to be true and may be so found by the Board.

Dated at Buffalo, New York, this 21st day of December, 1971.

THOMAS H. RAMSEY,
Acting Regional Director,
National Labor Relations Board,
Third Region,
111 West Huron Street,
Buffalo, New York.

Answer.

Case No. 3-CA-4695.

The respondent, Bell Aerospace Company Division of Textron Inc., by its attorneys, Ohlin, Damon, Morey, Sawyer & Moot, for its answer to the matters set forth in the complaint:

First: Admits the allegations contained in paragraphs II, III and IV of the complaint.

Second: Answering paragraph I of the complaint, the respondent admits that the charge was served upon it on or about December 3, 1971 by registered mail, but denies any knowledge or information sufficient to form a belief as to the remaining allegations of said paragraph.

Third: Answering paragraph V of the complaint, the respondent denies that Peter J. Wacks is now an agent of the respondent, said Peter J. Wacks having retired on December 31, 1971, but admits the remaining allegations of said paragraph.

Fourth: Answering paragraph VII of the complaint, the respondent admits the allegations of said paragraph, but alleges that, following the certification of the UAW on August 12, 1971 by the NLRB, the respondent immediately filed and served a petition requesting the Board to reconsider its decision and certification, that said petition for reconsideration was accepted and filed by the Board and that a decision thereon is pending, and that the certification referred to in paragraph VII of the complaint is not final.

Fifth: Answering paragraph IX of the complaint, the respondent admits that on or about November 9, 1971, and

notwithstanding the aforementioned petition for reconsideration, the UAW claimed to be the exclusive bargaining representative of the employees in the unit described in paragraph VI of the complaint and requested and is continuing to request, the respondent to bargain collectively with respect to rates of pay, wages, hours of employment, and other terms and conditions of employment.

Sixth: Answering paragraph X of the complaint, the respondent admits that commencing on or about November 9, 1971, and at all times thereafter, it did not proceed to recognize and bargain collectively with the UAW as the exclusive bargaining representative of the employees described in paragraph VI of the complaint, since the certification of the UAW is not final in view of the respondent's petition for reconsideration which is presently pending decision before the NLRB. That the respondent's position is more fully set forth in Exhibit 3 attached hereto, that said position was fully explained to the UAW's agents, and that the respondent denies that the UAW, on November 9, 1971 or at any time subsequent thereto, was the duly designated collective bargaining agent of the aforesaid employees.

Seventh: Denies each and every other remaining allegation of the complaint not hereinbefore specifically admitted, denied, or otherwise answered.

FOR A FIRST AFFIRMATIVE DEFENSE

Eighth: That the certification of the UAW as exclusive bargaining representative for the employees described in paragraph VI of the complaint herein is not final as evidenced by the documents affixed hereto and marked Exhibits 1 through 4.

FOR A SECOND AFFIRMATIVE DEFENSE.

Ninth: That the employees described in paragraph VI of the complaint herein are not employees within the meaning of the Labor Management Relations Act, as amended, and that a unit of said employees is not an appropriate unit for purposes of collective bargaining within the mean- of Section 9 (b) of said Act.

WHEREFORE, the respondent Bell Aerospace Company Division of Textron Inc. demands that the complaint herein be dismissed.

OHLIN, DAMON, MOREY,
SAWYER & MOOT,

By .....
Attorneys for Respondent,
Bell Aerospace Company Division of Textron Inc.,
1800 Liberty Bank Building,
Buffalo, New York 14202.

Exhibit 1 Attached to Answer.

Exhibit 1—Telegram From Attorneys for Petitioner to NLRB Dated 8/13/71.

August 13, 1971

National Labor Relations Board
Mr. George Leet, Associate Executive Secretary
Penn Seventeen Building
1717 Pennsylvania Avenue, N. W.
Washington, D. C. 20570

BELL AEROSPACE COMPANY DIVISION OF TEXTRON INC. AND INTERNATIONAL UNION, UAW LOCAL 1286, 190 NLRB NO. 66

Board decision in this case Dated May 20, 1971 relied specifically upon Board's decision in North Arkansas Electric Cooperative, Inc. 185 NLRB No. 83, which has just been reversed by Circuit Court of Appeals, 8th Circuit. We expect to receive copy of decision August 16 and immediately upon receipt shall move Board to reconsider its decision in bell case, which is presently before Board on objections to conduct of election. Union has not yet been certified.

Copies sent to regional director and Ray Laracy.

HORCE C. WINCH

for OHLIN, DAMON, MOREY, SAWYER & MOOT
Attorneys for Bell Aerospace Company

Exhibit 2 Attached to Answer.

Exhibit 2—Letter From Attorneys for Petitioner to NLRB Dated 8/17/71.

August 17, 1971

National Labor Relations Board
Penn Seventeen Building
1717 Pennsylvania Avenue, N. W.
Washington, D. C. 20570

Re: Bell Aerospace Company Division of Textron Inc. and International Union, United Automobile, Aeorspace and agricultural Implement Workers of America, Amalgamated Local 1286

Case No. 3-RC-4987

Gentlemen:

We enclose the following:

1. Eight (8) copies of Request for Reconsideration.
2. Eight (8) copies of our Brief in support of such request.
3. Eight (8) copies of the decision of the United States Court of Appeals for the 8th Circuit in *National Labor Relations Board v. North Arkansas Electric Cooperative, Inc.*, reversing the decision of the Board reported at 185 NLRB No. 83.

Exhibit 2 Attached to Answer.

Copies of this letter and of the enclosures are being mailed simultaneously to the Union and its Staff Representative, Mr. Ray Laracy, and to the Regional Director at Buffalo.

Very truly yours,

HORACE C. WINCH

for OHLIN, DAMON, MOREY, SAWYER & MOOT

P
Enc.
AIR MAIL
CC: International Union, United Automobile, Aerospace and Agricultural Implement Workers of Amer., Amal. Local 1286 Messrs. Ray Laracy, Thomas N. Seeler, Peter J. Wacks

Exhibit 3 Attached to Answer.

Exhibit 3—Letter From Attorneys for Petitioner to Petitioner Dated 12/1/71.

December 1, 1971

Mr. Peter J. Wacks
Vice President, Industrial Relations
Bell Aerospace Company
Post Office Box One
Buffalo, New York 14240

Re: Bell Aerospace Company Division of Textron, Inc. and International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, Amalgamated Local 1286 Case No. 3-CA-4695 & Same Matter Case No. 3-RC-4987

Dear Mr. Wacks:

At your request following an inquiry from the union representative on the request for contract negotiations in the above, we have contacted the local National Labor Relations Board office here in Buffalo to determine the status of our petition for reconsideration filed with the National Labor Relations Board in Washington on August 17, 1971. You will recall that contemporaneously with the decision on the certification of the Bell local unit in the above, the Court of Appeals for the 8th Circuit reversed the North Arkansas case upon which certification of the Bell local was based.

At the time we promptly notified the NLRB in Washington by telegram and immediately filed a petition for reconsideration on the grounds that the authority relied upon for certifying the Bell local had been reversed by the 8th Circuit Court of Appeals. Copies of our petition for reconsideration and accompanying brief were furnished to the

local NLRB office and the various interested parties. The purpose of this petition was to avoid a result with respect to our local unit which was contrary to the law as decided by the 8th Circuit.

Pending the decision on our petition for reconsideration, or appeal, in the above proceeding, it is our opinion that the rights of neither party have been finally determined in the matter. It is our recommendation and advice that neither proceed further in the matter until the decision on our petition has been handed down by the NLRB.

The local NLRB office, in response to the inquiry you requested, has advised us on December 1st that a check with the National Labor Relations Board has established that Bell's petition for re-hearing is properly filed and pending the consideration of the Board and its decision.

As soon as the decision is received we will advise you promptly. In the meantime it is our recomendation that you do not proceed with contract negotiations. If the petition is granted such negotiations will have no legal effect. Likewise, the filing of an unfair labor practice for refusal to negotiate would be meaningless if Bell's petition is sustained. Under the circumstances meaningful contract negotiations will simply have to await the decision of the National Labor Relations Board.

Very truly yours,

RICHARD E. MOOT
for OHLIN, DAMON, MOREY,
SAWYER & MOOT

REM:jip
cc: National Labor Relations Board
Buffalo, New York

Exhibit 4 Attached to Answer.

Exhibit 4—Letter From Attorneys for Petitioner to NLRB Dated 12/13/71.

December 13,1971

National Labor Relations Board
111 West Huron Street
Buffalo, New York 14202

Attention: Mr. Richard C. Heffern

Re: Bell Aerospace Company Division of Textron, Inc. and International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, Amalgamated Local 1286 Case No. 3-CA-4695 and Same Matter, Case No. 3-RC-4987

Dear Sir:

We represent the employer, Bell Aerospace Company Division of Textron, Inc. in the above matter. Following certification of Local 1286 UAW, the Company immediately filed a petition to review said certification on the grounds that the decision in the North Arkansas Electric Cooperative, Inc. case, upon which said certification was issued, had been reversed.

On December 9, 1971, your office advised the undersigned that a complaint would be issued in this matter unless the Company agreed in writing to abide by the National Labor Relations Board's decision on the Company's pending petition which requests the Board to reconsider its earlier holding that Local 1286, a unit of buyers employed by the Company, was appropriate for bargaining under the Labor Management Relations Act. In effect, this pro-

posal requires the Company to waive its rights to have representation questions reviewed by the United States Court of Appeals following a refusal to bargain with the certified representative.

It is the position of the Company that:

1. The reversal of the NLRB's decision in the North Arkansas Electric Cooperative, Inc. case by the United States Court of Appeals for the Eighth Circuit warrents the granting of the relief sought by the Company in its pending petition before the Board, and
2. In the event the NLRB fails to adopt the rule of the Eighth Circuit in the North Arkansas case, the Company is entitled to appeal to the Second Circuit to review such an adverse ruling and cannot be asked to sacrifice this right or whatever legal rights it may have for further review of the critical issues raised in these proceedings.

Furthermore, until the Company has had an opportunity to review the form, content and rationale of a possibly adverse decision by the Board, it is entirely unable to make an intelligent determination of what further review it would seek, if any.

It is also the Company's position that the issuance of a charge at this time is totally inappropriate. By accepting the Company's petition for further consideration of the issues involved in this matter, it is clear that the Board has not yet made a final determination regarding questions of representation. Should a charge be filed and the Company found to be in violation of Section 8a(5) of the Act, the parties may be in the questionable position of appearing

before the Court of Appeals: (1) before the NLRB has completed its disposition of the Company's petition; or (2) after the NLRB has granted the petition by acquiescing in the North Arkansas case and has found the certification to have been improperly issued.

Considering all the circumstances, we feel that no further action should be undertaken until the Board renders a decision on the Company's pending petition for reconsideration and the Company has had a fair opportunity to consider such decision and elect at that time whether to abide by the same or exercise its right to appeal.

Respectfully yours,

RICHARD E. MOOT
OHLIN, DAMON, MOREY,
SAWYER & MOOT
Attorneys for Respondent/Employer

REM:gs
cc: Mr. Peter Wacks

SUPREME COURT OF THE UNITED STATES

No. 72-1598

NATIONAL LABOR RELATIONS BOARD, PETITIONER,

v.

BELL AEROSPACE COMPANY DIVISION OF TEXTRON, INC.

ORDER ALLOWING CERTIORARI—Filed October 9, 1973

The petition herein for a writ of certiorari to the United States Court of Appeals for the Second Circuit is granted.

☆ U. S. GOVERNMENT PRINTING OFFICE: 1973 526727 128